Daily Report

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Coffee-Producing Association Ends Retention Plan

PA2804155994 Panama City ACAN in Spanish 2214 GMT 27 Apr 94

[Text] San Salvador, 27 Apr (ACAN-EFE)—Member countries of the Association of Coffee-Producing Countries (APC) have decided to end today, Wednesday, the plan to retain coffee beans, because the bean has experienced an important recovery on the international market, official Salvadoran sources have reported.

Ruben Pineda, president of the Salvadoran Coffee Council, has told ACAN-EFE the coffee-exporting countries, headed by Brazil and Colombia, have decided to end the retention, because the pound of the bean has exceeded the minimum price of 80 cents on the world market.

"We received the notification at our offices this morning from the retention plan coordinating office, located in New York, stating there would be 0-percent retention as of today," Pineda has said.

The retention plan of the approximately 30-member APC countries started on 1 October 1993, negatively affecting 20 percent of the coffee production in each country, but due to the success of the measure, producers decided to reduce retention to 10 percent only four weeks ago.

Pineda has said the lifting of the retention plan "is good for our country, because we have reached a good level of prices on the world market," and he added El Salvador has only approximately 500,000 quintals (22,727 tons) currently retained.

Cuba

Officials, Media Preview Special ANPP Session

CTC Secretariat Discusses Issues

FL2904182194 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 94

[Text] The Cuban Workers Federation [CTC] expanded secretariat meeting is being held with the participation of the general secretaries of the unions and the provincial CTC branches. The meeting is discussing aspects of the issues to be analyzed by the National Assembly of the People's Government [ANPP] session, the current situation of the harvest, and May Day activities.

The reports read in the meeting make evident the willingness of the workers to again pick up the analysis of the problems brought up at the workers assemblies and continue to monitor closely indexes such as profitability, costs, and use of resources. Likewise, it was announced that a process of assemblies for economic efficiency will begin on 15 May. Positive results can already be seen in this regard if we keep in mind that there is a significant drop in absenteeism and issuance of medical certificates. This means—a participant stressed—that our workers have internalized the issue.

There was a special briefing by Sugar Industry Minister Nelson Torres who said that the sugarcane harvest has been significantly affected by the rains and that this requires a greater effort by the manual cutting brigades, as well as the combines teams. Torres added that earnest mobilized workers, who are now tackling sugarcane weeding and planting efforts, are joining in this struggle.

ANPP Commissions To Meet on 30 Apr

FL2904182294 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 94

[Text] The commissions of the National Assembly of the People's Government [ANPP] will meet in Havana on 30 April, the day before the special session of the ANPP. The commissions will meet at the Nico Lopez National School of the Communist Party of Cuba and at the headquarters of the ANPP to study issues related to their spheres of work.

These meetings come before the May Day special session of ANPP where delegates will focus on the internal economic situation to find solutions to the financial problems Cuba faces.

Workers Federation Official on Session

PA0105173494 Havana Radio Havana Cuba in Spanish 0000 GMT 1 May 94

[Interview with Pedro Ross Leal, secretary general of the Cuban Workers Federation, by unidentified reporter; place, date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Reporter] We would like to hear about the Cuban Workers Federation's [CTC] expectations for the National Assembly of the People's Government [ANPP] general assembly scheduled for 1 May.

[Ross] We cannot talk about expectations, because an expectation is something that is not yet defined, something what one wants but there is still uncertainty about it. We believe we will discuss at the assembly issues related to the present and future life of Cuban workers and the people in general. The discussions will be based specifically on the workers' point of view, workers' opinions, workers' proposals, workers' doubts, and their aspirations about what should and should not be done and what they believe is feasible and should be done. In this light, one cannot speak about expectations. We are talking about specific facts, because even before the assembly several decisions have been taken based on proposals the workers made.

We cannot expect one single assembly meeting to adopt all the measures needed to clean up the country's finances, to correct certain economic problems, and to define new policies. We expect the assembly to make recommendations to the government so the government can study them, and later implement them. These decisions will not only be the reflection of what we discussed with the workers at the parliament in the workplace sessions, but they will return to the workplace for further study.

This is what we expect to get out of the ANPP sessions. It will be a public session, and all the foreign guests at the 1 May celebrations will be present. It will be broadcast on radio and television so our people and the whole world can hear what we are debating.

[Reporter] We would like to know how the workers movement has welcomed the decision to hold this long-awaited assembly on 1 May.

[Ross] The Cuban workers movement greatly appreciates the revolutionary government's decision to adopt Comrade Fidel's proposal to hold this specific ANPP session to discuss such important issues on such a significant date as 1 May. In so doing, they will honor and express respect for Cuban workers.

[Reporter] One last question. Radio Havana Cuba is celebrating its 33d anniversary on 1 May. What has Radio Havana Cuba meant to the world's union movement?

[Ross] Radio Havana Cuba is the vehicle by which we maintain contact with the workers of the world, as far as the radio signal of this Cuban radio station can travel. Radio Havana Cuba has allowed us to express our beliefs, our truth, and our information. Radio Havana Cuba has been a bridge and a channel that has shortened distances to keep us united with the other union movements in Latin America over the shortwaves bands. We would like to congratulate all the workers, technicians,

journalists, support personnel, leaders, labor organizations, political organizations, and, in general, all of the workers of this prestigious Cuban radio station on this 33d anniversary.

Editorial Discusses Currency Excess

FL3004164794 Havana Radio Rebelde Network in Spanish 1155 GMT 30 Apr 94

["Our Opinion" station editorial by Orlando Contreras]

[Text] The National Assembly of the People's Government [ANPP] will hold on May Day a special session convened by the Council of State to analyze the national financial situation. This will thus close a process which included the entire nation at the grass-roots level—an unprecedented popular consultation through the conduit of forms of democracy unlike those frequently imposed as the only form of government by the hegemonic centers of power.

On the basis of these considerations involving the conduit of democracy and the clear differentiation of that conduit, the problem to be debated tomorrow by our deputies is directly tied to one of the main challenges—not the only one—of our economy: A currency excess nearing 12 billion pesos.

This means that there is an enormous surplus between the purchasing potential and the actual supply of products and services available. Technically, when this happens, the purchasing power of the currency drops to such extremes that it is not able to regain its capacity through a rational increase in production. In our case, the shortage of energy, oil, and a series of resources due to well-known reasons, does not allow for a significant increase in production.

The excess currency is one of the financial problems of our economy—not the only one. There are others tied to the collection of currency through diverse fiscal measures also affecting the required financial balance.

Measures have been taken regarding this extremely urgent matter, such as the reorganization of the administrative apparatus of the central government. However, in our case, we have to find solutions without implementing shock policies; in other words, without massive layoffs, and acute increases in prices to lower the excess currency and attain a healthy but socially unfair demand.

This is what it is all about. We have to adopt the measures needed without abandoning the social character of the function of the state in the economy. Social, not only due to the nature of production but also due to the final beneficiary of the national economy.

The deputies have before them an urgent task. This process will probably not end with this special session. It is a matter of taking indispensable steps to redesign our economy on an economically feasible basis without affecting the workers unfairly or massively. The Revolution will not leave anyone abandoned. That is an unquestionable principle.

Commentary Urges Economic Measures

FL3004171494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 30 Apr 94

[Commentary by Maribel Acosta]

[Text] We all know that the special session of the National Assembly of the People's Government [ANPP] will be held on May Day to give continuity to the debate on the national financial situation. The public debate process of the workers assemblies was conducted between January and March. This process highlighted for the ANPP the policies to be followed.

In accordance with a poll conducted nationwide in March by the Sociology Studies Center among 1,404 workers, 87 percent believe that the workers assembly process was worthwhile. Likewise, 71 percent of the workers affirmed that the workplace debates contributed to creating an awareness of the true situation of the Cuban economy. Regarding the proposals and suggested measures to streamline the internal finances, 56 percent of the workers believe that the measures will gradually solve [passage indistinct], while seven percent do not see a relation between measures and an improvement in the Cuban economy.

Statistics reveal that it is evident there is a high consensus on the need for economic measures, although, opinions differ on the shape they ought to take. Some 39 percent of the workers believe that the measures ought to be taken separately and gradually; 25 percent believe the measures should be taken separately but quickly; and 27 percent believe the measures should be taken quickly and all at once. According to this poll, which also shows a high level of democracy in the opinions expressed, the measures with more widespread support are reducing frivolous gratuities, eliminating the regulated sale of cigarettes and rum, increasing the cost of electricity the higher the consumption, and implementing a more active price policy aimed at subsidizing people rather than products.

However, in my opinion, we ought to give more attention to certain indicators revealed by the poll. For example, there is not a clear enough understanding that economic measures will affect everyone's living conditions to a different degree. Fifty-five percent of the workers responded yes to the question: Should we all receive the same? This shows a deeply rooted egalitarianism. The poll also confirms the people's consensus on the need to work more and shows the value of public discussion when 64 percent of the workers stated that the country will move ahead.

The opinion of the specialists is that the workers assemblies yielded the positive result of increasing trust and hope in the possibility of Cuba's reversing the current economic situation.

On May Day the ANPP will meet; we know the expectations. The ANPP will debate, compliment the consensus, and draft policies on how to solve the current financial situation. Then it becomes the government's responsibility to implement the policies drafted by the ANPP.

Session To 'Correct' Financial Situation

FL3004180094 Havana Radio Progreso Network in Spanish 1000 GMT 30 Apr 94

["Text" of article by Susana Lee published in GRANMA on 30 April]

[Text] Tomorrow at 1000, the Cuban national anthem will mark the opening of the special session of the National Assembly of the People's Government [ANPP] convened by the Council of State to analyze the economic situation of Cuba. This meeting is the conclusion of an entire debate process on this issue and it will be in the hands of the ANPP deputies, as representatives of the Cuban people who elected them, to define the policies, the main paths of work that can be adopted to correct gradually the national economic imbalance.

Just as planned [passage indistinct] of the issue at that moment and to take it up again in a special session, the delegates are better prepared in this instance and with the information obtained from a broad survey conducted by the union movement through the parliaments in the workplace process. Three million workers actively participated in over 80,000 workers assemblies between January and March 1994.

Last December's ANPP discussion of these vital and controversial issues, which the mass media amply divulged to the people, was unprecedented and worthwhile. Even much more unprecedented is the fact that these issues were brought before millions of Cubans that discussed, frankly and openly, these issues and put forth ideas and proposals aimed at solving the complicated economic and financial problems that we face today.

What place in the world can boast of having conducted a similar process? What parliament or parliamentarian can in addition to discussing and deciding on the matters that affect the whole of their population, also be aware of their people's opinions on these issues?

I can go even further, which is worth noting the day before May Day, when hundreds of labor union representatives from all over the world have come to partake in the May Day celebrations and a number of them are invited to witness the debates of the ANPP: In what country are the workers or even their union leaders consulted on such crucial issues? What country or government would risk consulting their work force about such problems and ask for their opinions? In how many places have workers awakened to the news that those famous packages of measures had been implemented? In other words, neoliberal formulas to solve their financial woes at the cost of the more humble sectors.

Tomorrow, when the ANPP deputies—representing the people who elected them in true elections through secret and direct ballot with over 50 percent participation as regulated by law—decide from their seat the policy to be followed to correct the financial situation, in a broad spectrum, a situation on which millions of Cubans have expressed our opinions, all of which have been taken into consideration, we will be taking one more step on the path chosen by a true majority of our people to resist and overcome the great obstacles we face and moving forward. What is decided at this meeting, it is good to repeat it, will not be a shock policy nor can we presume that all solutions will be popular although we hope they will have the understanding of the population. Absorbing the excess currency, as explained on other occasions, due to the drastic reduction of our capacity to import and the stiffening of the Yankee blockade, is an impossible task without a certain measure of sacrifice shared by all of us. Call it what you may: Increase in the price in some products, eliminating gratuities, establishing a tax system, reduction of subsidies to unprofitable enterprises thus reducing the budget deficit, and restraint and elimination of profitteering.

In last December's ANPP meeting there was a favorable and broad consensus on these measures, the same as in the parliaments in the workplace. These measures are inevitable and needed to promote adequate conditions to be applied to our economy to subsequently solve the basic problems of the economy. We have started to work on this by implementing other important decisions; such as a reactivation of production, an increase in productivity, and improving economic efficiency. This will be done while preserving our accomplishments and, as Fidel said, safeguarding, above all, the interest of the people. This will be kept in mind, and the Revolution will not abandon anyone, this an indisputable principle.

Tomorrow, when the ANPP special session commences, its deputies, invested with the highest responsibilities, will undertake their tasks as homage to Cuba's May Day, with the honor, sense of dignity, revolutionary and patriotic spirit of our working masses, their commitment to fight and save the Revolution and the accomplishments of socialism, and their amply proven political awareness.

Castro Opens ANPP Session on Economic Issues

ANPP President Alarcon Speaks

PA0105161294 Havana Radio Havana Cuba in Spanish 1455 GMT 1 May 94

[Report by Barbara Betancur from the Havana Convention Center; from the "Morning Information Review"]

[Text] This morning at 1000, 551 deputies, including Cuban President Fidel Castro, opened the general assembly of the National Assembly of the Peoples' Government [ANPP]. The discussions began with the one single issue on the agenda of this first special session: cleaning up the country's domestic finances.

Union delegations from several countries that flew to Havana to participate in the 1 May International Labor Day celebrations are present. ANPP President Ricardo Alarcon recalled the wide and intensive discussion on the main problems of the country's domestic economy. These discussions took place at each of the approximately 80,000 so called parliaments in the workplace, with the participation of 3 million workers and almost 58,000 cooperative farmers at 60,000 general assemblies and thousands of university students.

[Begin Alarcon recording] The extensive consensus that clearly rises from those meetings is the will of the overwhelming majority of Cubans to continue resisting, to continue struggling to save the fatherland and its revolution. Within this same framework and in this same spirit we, the members of this national assembly, must now continue that process of collective debates and take the needed measures accordingly. [end recording]

Before studying the document that was distributed among the deputies, Pedro Ross Leal, general secretary of the Cuban Workers Federation, took the floor. He told the assembly about the main issues that surfaced during the workers' discussions. He said this session is the best way to celebrate 1 May in Cuba at this specific moment.

The main objective of this parliamentary encounter is to present the government with specific proposals, to suggest measures it can gradually implement to try and develop a systematic economic policy that could clean up the domestic economy. The proposals and measures are based on company profitability, work incentives, and preservation of the Cuban revolution's social achievements.

Report on ANPP Proceedings

FL0205004794 Havana Radio Reloj Network in Spanish 1930 GMT 1 May 94

[Text] With Commander in Chief Fidel Castro present, the morning session of the National Assembly of the People's Government [ANPP] debated measures by which to correct the economic situation. Deputy Lazaro Barrero stressed to the plenum the need for a monetary reform that should include the confiscation of illegally obtained money, a change in currency, and the freezing of excessively large bank accounts.

Otto Rivero Torres, president of the Federation of University Students, stressed to the ANPP plenum the importance of increasing control and standards in universities.

Other deputies emphasized greater state control over enterprises providing essential services to the people, to prevent the deviation of essential resources required by the people.

Pedro Ross Leal, secretary general of the Cuban Workers Federation, saluted Cuban workers in his address to the ANPP special session that began this morning at the Convention Palace. Ross stressed that we are observing 1 May by working and seeking appropriate solutions to the current crisis. Ross went on to say that in the last two months Cuba has lived a great event in the realm of labor, the Parliaments in the Workplace. Ross explained that the matter of correcting the economic situation was very much present in the debates that took place in these meetings of workers, which once more demonstrated the workers' unconquerable faith in the Revolution.

Cuba's economic imbalance, manifested by the 11.636 billion pesos in excess currency, is the reason that proposals for correcting the economy are being evaluated.

Finance and Prices Minister Jose Luis Rodriguez gave an address detailing some of the proposals and measures under study, among them an increase in the prices of certain nonessential products such as cigarettes and alcoholic beverages. In the case of cigarettes, the changes will not affect the present categories of distribution. The new prices will be two pesos for a regulated pack, six pesos for extra packs, and 10 pesos for unregulated packs. This will require an adjustment in production. With reference to alcoholic beverages, the proposal is to establish differentiated prices according to their type and category.

The proposals of the minister of finance and prices to the ANPP special session included a selective increase in prices and rates for public services. In that sector, to raise the price of electricity could be an effective method of increasing the revenues to the government's budget. The study conducted and presented to the ANPP by Jose Luis Rodriguez proposes charging nine cents per kilowatt to consumers who do not exceed 100 kw monthly. The consumers who use between 100 and 300 kw monthly will pay 20 cents per kilowatt. Consumers who use more than this amount will be charged 20 cents extra.

Finance and Prices Minister Jose Luis Rodriguez explained that the measures under study to correct the economic crisis will constantly make allowances for the lower income sector of the population. The elimination of subsidies to various products and the allocation of these subsidies to the people in the lowest income brackets is also under consideration, in order to enable them to cope with the selective increase of prices in various sectors. The proposals under study in the ANPP special session include increasing the current rates for telephones, postal services, and automotive fuel; the latter could mean doubling or tripling the present cost per liter. Under consideration is the possibility of

charging entry fees to specified cultural and sports events, which could convey over 8 million pesos to the national budget.

Finance and Prices Minister Jose Luis Rodriguez explained that, with the objective of covering the costs of workers' dining halls, one proposal includes a decentralized setting of prices that would be easily adjusted to the conditions and quality being offered. Rodriguez added that one proposal is to charge boarding school students for lunches; a minimum fee of 35 cents could produce an annual revenue of 29 million pesos. Rodriguez pointed out that the proposals, including lowering subsidies to students, exclude the low income sector of the population.

The ANPP special session is also discussing measures such as taxes on personal income, documents, properties, and water service. The proposed cost for water service is one peso a month per person.

The address by the finance and prices minister mentions the possible change of the currency for a convertible peso. Changing the Cuban peso was described as feasible and it was announced that several alternatives have been studied toward this end. Likewise, the possibility of strengthening the value of the peso by gradually increasing the quality of goods and services was described. Regarding the state, the Finance and Prices Ministry proposal includes the reduction of subsidies that resulted in losses of 1.3 billion pesos this year; this will make it possible to reduce the fiscal budget by 24 percent. The possibility of selling personal insurance is also under consideration, as are diverse means to stimulate bank savings accounts in order to remove from circulation the largest possible amount of currency.

Economic Commission Chairman on Policies

PA0205015294 Mexico City NOTIMEX in Spanish 2315 GMT 1 May 94

[Text] Havana, 1 May (NOTIMEX)—Osvaldo Martinez, chairman of the Economic Commission of the National Assembly of the People's Government, said that his country will implement a socialist economic model with private property, market laws, and the strong presence of foreign capital.

In an interview published this Sunday by the government weekly JUVENTUD REBELDE, Martinez said the island's authorities must find solutions in a capitalist market ruled by monetary-commercial laws.

The publication of this interview coincides with a special Assembly session during which Jose Luis Rodriguez, finance and prices minister, outlined a strict adjustment program which, he insisted, is not a neoliberal shock plan.

The Assembly member said the search for efficiency in the island's economy is "a matter of life or death", with only 31 percent of the enterprises producing an income, according to official figures.

The official added that 1994 continues to be difficult for the Cuban economy, but the first signs of long-term recovery are being seen.

Martinez said tourism represents the first positive aspect of the Caribbean country's economic activities, with a growth rate of 30 percent per year, and, according to government sources, it will surpass the sugar industry as the country's main source of income.

The National Assembly leader said that increased production of domestic oil, with its high sulfur content, is expected to exceed last year's 1.1 billion tons in 1994.

The exploitation of new forms of state-owned lands, where former employees now organized in cooperatives have the right to use the land, has resulted in an increase in the production of food, he said.

The state has a monopoly on the marketing of new cooperatives that have replaced inefficient state-owned farms that were operated by agricultural workers for a salary.

According to Martinez, the measures adopted by the government to put its internal finances on a sound basis will have positive effects in the near future, although its essential effects will need no less than a year and a half to mature.

Martinez said Cuba will leave the crisis behind by the end of the century "by resuming the economic growth process but also by achieving a different economy—qualitatively speaking."

It must be an economy in which we have a strong state sector that sets guidelines and operates more through decentralized mechanisms in which economic considerations play a more important role than administrative considerations, he explained.

The legislator said that plans for this model will involve a much more important role for the market and a strong presence of foreign capital, which Cuba has encouraged since the disintegration of the Soviet Union and the Eastern European socialist bloc.

In Martinez' opinion, these changes do not alter the essential basis of Cuban society, which is compelled to forge ahead in a world ruled by capitalism.

The economy will still be socialist, which means that political decisions will be made by the central government and that politics will rule the economy, meaning it will be subordinate and aimed at achieving the goals of socialism, Martinez said.

Castro Urges Adoption of Measures

PA0205002194 Madrid EFE in Spanish 2244 GMT 1 May 94

[Text] Havana, 1 May (EFE)—Cuban President Fidel Castro said today that the measures that must be

adopted to put the economy on a sound basis "are hard and difficult" and warned that "we cannot take half measures."

In an address to the National Assembly, which is holding a special session today to decide what measures will be adopted, Fidel said: "I do not think it would be worthwhile to do nothing, to stop halfway, because it would be a disaster if the measures we adopt are insufficient."

"We are far from having a full idea of the problem; not even the comrades with a better education have it, although we have certainly made progress," the Cuban leader added.

Castro referred to the series of proposals presented this morning by Finance Minister Jose Luis Rodriguez, who outlined the need to create a tax system, reduce some subsidies and benefits, increase prices for nonessential products, and create a convertible currency, among other things.

Castro added: "Everyone is prepared to find solutions, but no one wants to pay taxes on their salary or to have even a cent cut from their salary. Everyone wants a solution but they want solutions without having to take these types of measures."

Castro termed the country's current economic situation as a "cancer" characterized by over 11 billion pesos in circulating money, which has virtually nullified the purchasing power of the national currency, and a 1993 public deficit of 4.2 billion pesos.

"A human policy of solidarity with the people that neglects no one involves a surplus of circulating money—which is tolerable for some time—but, within the special period, the time has come to solve the problem, and that is not so easy," Fidel Castro said.

He insisted that it is necessary to carefully decide what must be done so the situation does not reoccur. He said that it is necessary to "get to the root of the problem," otherwise "it would be a tremendous waste of time."

"We must create real solutions," the Cuban leader said after concluding that there "is no other choice but to take measures that are part of the special period, a special period that is much worse than we ever imagined."

Castro Warns of Harsh Economic Measures

FL0205022794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 02 May 94

[Text] Just minutes ago, the National Assembly of the People's Government [ANPP] concluded its session for today. The debates will continue tomorrow. During today's session, Commander in Chief Fidel Castro said that the economic measures will be harsh and reiterated the desire to find solutions.

[Begin Castro recording] We are not only talking about restructuring our finances; we are talking about revaluating our currency, revaluating the wages of our workers, and revaluating the peso. Those are truly very important things. Those are decisive factors. I believe our inclination should be to take the measures that are necessary—whatever measures are necessary. [applause] [end recording]

Castro: Implementation Takes Courage

PA0205031394 Havana Radio Havana Cuba in Spanish 0205 GMT 2 May 94

[Report by Barbara Betancourt in Havana]

[Text] More than 30 deputies participated today in the debate on the measures that the Cuban state must implement to put its internal finances on a sound basis, the only topic included on the agenda for the first special period of sessions at the National Assembly of the People's Government.

Armed with an arsenal of ideas contributed by the parliaments in the workplace and the report presented by Jose Luis Rodriguez, finance and prices minister, Cuban deputies had enough arguments to propose solutions to reduce the deficit and the amount of excess money in circulation, which jeopardize the island's economic efforts.

In the midst of this heated debate, Cuban President Fidel Castro spoke in his role as deputy. Fidel said the policy of justice and social solidarity, maintained by the revolution even during times of crisis, is basically responsible for the imbalance that now afflicts our internal finances, adding that the time has come to solve the situation once and for all.

[Begin Castro recording] Above all, we must be courageous. We must be not only intelligent but courageous. If we are afraid, we are lost. If we implement half measures we are lost. History has given us the responsibility of solving this problem. We have to solve it, and in the end we must assume the responsibility with political sense, with revolutionary sense, and with an (?technological) sense. [end recording]

Referring to this, he said we must adopt the necessary measures, even those that are unpopular.

[Begin Castro recording] This is not a matter of simply putting our finances on a sound basis; it is also a matter of revaluing money. It is necessary to revalue workers' salaries; to revalue the peso. They are equally important issues. They are (?decisive) things, and I believe we should be willing to adopt whatever measures are necessary [applause] even if no one wants to speak to us the next day. [applause] Even if they do not want to greet us the next day or even in the coming months.

None of the measures will be welcome, nor will they be understood in only one day. Only the sum of these measures will be understood. Only the sum of these measures will yield results and increase the people's understanding. These measures must have an order. It is not a matter of adopting any measure today and any

other measure tomorrow. The measures must have a [word indistinct] order, because the order of the steps has an impact on the results in this case. [end recording]

To conclude, Fidel Castro emphasized that every effort has been made to carry out the most democratic process of discussions, to hear various criteria, and to take the people's opinion into consideration. In other words, the strategy is well-known, but discretion must prevail at all times, he said.

The special session will continue tomorrow with the discussion of a draft agreement on the issue, which will be undoubtedly improved by the contributions from Sunday's debate.

Castro Emphasizes Crisis Solutions

PA0205011094 Havana Radio Havana Cuba in Spanish 0004 GMT 2 May 94

[From the "Evening Information Review" newscast]

[Text] Cuban President Fidel Castro said here in Havana that the country will have to win its economic battle with intelligence, perseverance, and courage, adding that experts and politicians alike will have to assume the responsibility that this entails by implementing a package of measures to put the country's internal finances on a sound basis.

During the first day of special sessions at the National Assembly of the People's Government, the Cuban leader said that the current situation of excess currency was created by a human policy adopted by the revolution to leave no one destitute during the special period. This, he added, has created an excess of money in circulation that is no longer tolerable. It must be solved by doing things correctly so the problem does not occur again.

Fidel Castro said: We have gained the workers' understanding after the issue was discussed at the parliaments in the workplace, nevertheless, some people do not understand. They will only understand when measures follow one another and when they are able to fully realize that it is necessary to implement them.

Jose Luis Rodriguez, finance and prices minister, had previously said that the measures must be adopted in an orderly, disciplined, gradual manner, adding that it will take up to 18 months to link one measure with the next. The outlined measures include a reduction in the budget deficit, a possible exchange [canje] of currency, the freezing of bank accounts for a specific time—offering guarantees to account holders and hitting those who have illegally amassed fortunes. Rodriguez also expressed the need to strengthen the Cuban peso, to review incentives given to priority groups, to increase prices of nonessential products and of electricity and telephone rates, and to implement a tax policy.

Osvaldo Martinez, chairman of the economic commission at the National Assembly of the People's Government, agreed with the Cuban finance minister but added that, in his opinion, the exchange of currency must not be considered only when it is appropriate, not as the first and only solution.

The special session is being attended by 551 deputies and will resume work on Tuesday.

Rodriguez: Income Taxes Not Supported

FL0205022294 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 May 94

[Text] During today's session of the National Assembly of the People's Government [ANPP], Jose Luis Rodriguez, Cuba's minister of finances and prices, pointed out that there is a consensus on raising prices on products such as cigarettes and explained how its implementation would be beneficial. He also referred to studies on charging for services which have been designated as nonessential gratuities. He acknowledged that the most controversial point of discussion has been the tax system.

[Begin Rodriguez recording] Nevertheless, other taxes are placed on the income of specified citizens who, because of their job or other reasons, obtain incomes that have another level of interpretation. Such is the case, to give an example, of the taxes on self-employed workers who are charged a fixed fee. This measure has been applied nationwide.

There are other types of taxes that people pay, which have been discussed. Today, it was reported that the population has paid those taxes and does not question them as much. We could mention the tax on vehicle registration, known as the tax on tags; the tax on documents, which is paid with stamps; the tax to transfer properties, as in the case of inheritances. In other words, there is a series of taxes that the population has been paying and that does not cause so much perplexity among the people.

I would say that the highest level of concern has been on income taxes, which have not been supported massively even though some workers have expressed themselves in favor of this tax. [end recording]

Jose Luis Rodriguez concluded his intervention today at the ANPP session by stating that these measures would be incomplete without the repression of money hoarders.

During a recess of this session, Jose Luis Rodriguez said that the proposals presented by the Ministry of Finances would be implemented gradually, depending on ANPP decisions.

[Begin Rodriguez recording] I believe it will be up to the government to examine, in this group of measures which will presumably be recommended by the assembly, their appropriateness according to the timing and the degree to which each one of the measures is introduced. [end recording]

But according to the criteria of Cuban economists, the restructuring of domestic finances is not enough to change the current economic situation. Such was the opinion of Manuel Millar, vice minister of finances and prices.

[Begin Millar recording] As the workers explained during the workers parliaments, it is about creating the conditions to achieve an increase in production, a higher value of the national currency in order to stimulate more interest and greater productivity and efficiency by the workers. It is not only important to produce, but to produce efficiently, at the lowest cost, trying to do the most with the scant resources we have, to be able to increase our exportable goods and increase the supply of goods and services to the population. Our future success is based on this and the final consequences of all the plans and measures that are being proposed to the ANPP. [end recording]

According to specialists, public debate will be vital in achieving political effectiveness in the application of these adjustment measures. Those were the words of Dario Machado of the center of social-political studies.

[Begin Machado recording] It is not only vital, but inevitable. Because among the traits of our populations's political culture is the participation in general and national issues. It has been a practice of many years' standing. I can mention the debate of the call to the congress, or the debate for the draft of the Constitution prior to being submitted for referendum, and many other occasions on which the people have had the opportunity to participate. [end recording]

Even before the conclusion of the debates, Hortensia Chong, a base-level deputy, commented on the transcendental importance of ANPP decisions.

[Begin Chong recording] Our people expect us to reach the decisions that will allow us to establish the conditions so that our country can take off, and we can offer the people better living conditions within the next few months and years. That is why I say that this moment is historic. [end recording]

It is significant and distinctive that this parliament began with the intervention of the secretary general of the Cuban Workers Federation [CTC], who explained the results of the public debates, an order that seems logical to observers and essential to the Cuban people.

Economic Efficiency Meetings To Follow ANPP Session

FL3004181494 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Apr 94

[Text] Assemblies for economic efficiency will be held at every production and service center from 15 May to 30 June following the pilot process which has been described as favorable for the union movement. [passage indistinct]

[Begin recording] [Unidentified reporter] [Words indistinct] basically as result of the workers assemblies held nationwide?

[Unidentified speaker] Exactly. The assemblies were a special moment where the working class was able to express itself on economic efficiency in the workplace and the measures to be adopted to streamline finances. The experience of having discussed specific aspects of the economic efficiency in the workplace showed that we had to give continuity to that issue, the framework to do this will be the space formerly dedicated to the production or service assemblies. Now the assemblies for efficiency will be aimed at this precisely: To discuss efficiency in the workplace, to discuss specific aspects of work and measures to take so that the work in every work center, either service, production, education, or health is conducted more efficiently; to have budgeted units make a more adequate use of their budget; to have health units provide more efficient service to the population, thus better using the budget allocated to that task.

[Unidentified reporter] How can the working class contribute to make this—we will not call it a package of measures—but this new revolutionary offensive imposed by the times to make the country operate more efficiently?

[Unidentified speaker] Precisely, the process of the assemblies for efficiency will begin massively after 15 May. One of the issues which we have to discuss necessarily is the results of the National Assembly of the People's Government [ANPP] session on 1-2 May. Whatever results from this, the recommendations made, the measures the government will alter or implement, as well as others already in place, will have to necessarily have the support, consensus and committed actions of the workers. Otherwise, any measure adopted will not be effective. [end recording]

Commentary: U.S. Policy Blocks Economic Opening

PA3004034794 Havana Radio Havana Cuba in Spanish 0000 GMT 28 Apr 94

[Commentary by Roberto Morejon; from the "Evening Information Review" program]

[Text] If the U.S. economic blockade were lifted, Cuban emigrants could invest in the island in prioritized areas, such as those devoted to promoting exports. When addressing the plenum of The Nation and the Emigrants Conference, Cuban Vice President Carlos Lage confirmed emigrants are not deprived of the right to invest in Cuba, although the specifics of that process are pending definition.

Future facilities for Cuban-born entrepreneurs are part of the process of normalizing relations with the expatriate Cuban community, the first part of which involved holding the aforementioned conference in Havana last weekend. At that time, the Cuban Government launched

a number of measures aimed at normalizing ties with emigrants, among them eliminating the requirement that those who leave the country legally wait five years before returning.

Young emigrants will also be permitted to study at Cuban universities provided they defray the cost. Travelers will not be required to pay for a hotel room upon arriving on the island, and the Foreign Relations Ministry will create a special department to deal with the affairs of the expatriate Cuban community.

Possible emigrant investment in Cuba in the near future complements the aforementioned measures and reveals the soundness of previous steps taken to reach the decision. Recently, a meeting between Cuban officials and Cuban-American owners and businessmen, known in the United States by its acronym OCA, was held in Havana to explore the possibility of joint ventures.

A desire has been expressed by both sides, but that desire is stumbling upon the obstacles of the U.S. economic blockade, worsened by the implementation of the so-called Torricelli Law. The same emigrants, who met recently in this capital in The Nation and the Emigrants Conference, agreed on the need to lift the blockade because, in addition to threatening the very existence of 11 million Cubans, it blocks the normalization of ties between Cubans on and off the island.

As stated by some of the participants at the Havana conference, the Cuban economic opening is being blocked by the stubborn isolationist policy of Washington.

'Terrorist Cliques' Target Conference Participant

FL2904135694 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Apr 94

[Telephone interview with Lawyer Magda Montiel from Miami by Zenaida Costales, no date given—recorded]

[Text] Upon her return to Miami, Cuban emigre Magda Montiel, who met with Commander in Chief Fidel Castro following the closing of the Nation and the Emigre Community conference last weekend, is confronting the ire of Miami's terrorist cliques.

[Begin recording] [Costales] Lawyer Magda Montiel has not committed any crime, yet is the target of harassment and threats from the far right of the Cuban emigre community of Miami. All she has done is participate, in her fatherland, in a conference between emigres and representatives of the Cuban Government.

[Montiel] The things we have heard are things neither one of us could have ever imagined. Not only that, I cannot go out. We are constantly under police protection.

[Costales] Have you been given the protection you requested?

[Montiel] Yes. We are under continuous police protection at office and at home. I am not able to go out. There have been protest rallies even in my neighborhood. I cannot go out.

[Costales] What are you planning to do?

[Montiel] I do not know what I can do. I am living from moment to moment but it is constant, the bad news, and protests. Yesterday, I was unable to leave my office.

[Costales] Have you been able to make it to your house?

[Montiel] Yes. But I cannot even tell you where I am.

[Costales] I understand. How is your family, so far?

[Montiel] Okay, so far.

[Costales] Magda, tell me something, from a judicial point of view, can anything be done?

[Montiel] No. They get permits to hold the protests, and there are the calls, threats, bomb scares, and all my employees resigned.

[Costales] We were aware that something had happened, we got news, and know that the far right has intensified their attacks and have made lists of people for the simple act of coming to Cuba. We are aware of this. This is why we call you to know how you are doing and what has happened. We are, of course, against that.

[Montiel] There are certain hours when the telephone calls never stop, the insults, bomb scares, and ugly, ugly upsetting things. It is a constant torture to have the telephone ringing off the hook and not be able to go out, and having to have bodyguards and police protection, and worrying about the children and the fear of sending them to school. No one should have to live this way.

[Costales] Of course, not. That is unfair. We agree with you.

[Montiel] What I am telling you is barely the surface. You can not imagine. I guess in a few days they will find something else to do and perhaps the situation will get somewhat calmer. I am a prisoner. I cannot go out.

[Costales] Magda Montiel cannot be harassed by the simple fact of visiting Cuba. Makes sense? That is what I think.

[Montiel] That is what I am saying. For me, the irony of the whole affair is that you turn on the television to see Nixon's funeral where he is being treated as a great hero and see me portrayed as a traitor. I keep telling myself: My God, I have not been caught buying cocaine, or killing anyone, or molesting children. What is going on?

Zenaida, the most important thing is that I have kept my dignity and position. I have not sold out. There are people who have told me to ask for forgiveness to save my family. Others have told me to say that as a lawyer I had a case I was trying to solve and that is why I acted so.

I have maintained my position and may God decide. Hopefully, it will have a peaceful ending, and my children and I will not be harmed.

[Costales] We are aware that you have remained firm because we have heard certain things. All we can say is that we keep you in our thoughts and are tracking the news. We will call you again. We trust everything will come out fine.

[Montiel] Thank you very much. So long. [end recording]

Robaina Supports Conference Participant

FL3004131794 Havana Radio Rebelde Network in Spanish 1155 GMT 30 Apr 94

[Interview with Foreign Minister Roberto Robaina by Carlos Zanabria Marrero at Antonio Maceo International Airport, Santiago de Cuba, on 29 April—recorded]

[Text] [Zanabria] Foreign Minister Roberto Robaina has accompanied the Zambian president in his visit to Santiago de Cuba. Since yesterday, Radio Rebelde, and particularly the Doing Radio program, has been reporting on the campaign of violence unleashed against the Cuban emigres who participated in the Nation and the Emigre Community conference. What is your opinion?

[Robaina] I believe that to any Cuban who truly feels the process we are undergoing, and is particularly interested in and wishing to establish normal ties, such attitudes require nothing else but the most determined and timely rejection. I believe that this shows the political barbarism of the far right of that Cuban community. This demonstrates the behavior of those we have called hysterics. When we announced the conference and stated that hysteria was not invited, I believe that the hysteria, seeing itself not invited, refused to relinquish a forum and its forum continues to be hysteria.

However, I am fully convinced that hysteria is challenged by valor, dignity, and courage. This is why I believe that people such as Magda [Montiel] and hundreds of others, who have yet to become the target of these attacks ....[pauses] I believe we have to realize that they act in this manner because we have touched a nerve. Anything promoting civilized reconciliation, a common path, and the kind of understanding that took place in the conference, hurts them.

I do not believe that this requires comment. In my opinion what this requires is boldness, valor, and commitment. What I want to stress is that Cubans such as Magda, who acted and continue to act as they have done, will not lack the support, backing, understanding, and solidarity of those of us here. [end recording]

Vice Foreign Minister on 'Harassment'

FL2904214094 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 94

[Text] In an interview with reporters, Vice Foreign Minister Isabel Allende gave her very personal impressions regarding the harassment that Magda Montiel, participant in the Nation and the Emigre Community conference, is suffering in Miami. Journalist Roberto Cavada recorded part of the interview with Allende.

[Begin Allende recording] In the first place, I was very surprised that Magda Montiel was being harassed simply for having come to Cuba for the Nation and the Emigre Community conference, a meeting that had clear and specific goals: to find formulas to normalize relations, find paths, and listen to the emigre community.

Those emigres came from all over the world. They came to express ideas which have been considered by the Cuban Government. As a result of her participation—at least from what I heard on Cuban radio during the interview with Magda—she is now in a very difficult situation. Magda sounded very upset and I believe I even heard a child crying in the background.

I believe this is incredible and I believe any honorable human being would feel the same way. It is a behavior that only right-wing extremists could have, people who are obviously very far from being faithful to principles that they claim to defend around the world: principles such as pluralism, freedom of speech, and freedom to be faithful to one's principles.

I believe Magda Montiel has been faithful to her principles. She has principles and ideas, and she came here to express those ideas, not to agree with ours. Let us assume that one of our ideas were involved—and I am not saying that is the case—but let us assume that Magda were to agree with one of our ideas. Is that a crime? Is that a felony? Is that sufficient reason to harass her as people were harassed during fascist times or during the most reactionary periods? I am truly appalled by this.

I believe that what is happening in Miami, far from benefiting the far right, in the long run—and I am saying in the long run, which is my personal opinion—will make many people ask questions, not only in the United States, but outside of the United States. It should make thousands of Cubans in Miami, and in all parts of the world, who did not attend the meeting or were not interested in the meeting ask why people behave this way. [end recording]

Callers Criticize Attacks

FL2904143194 Havana Radio Rebelde Network in Spanish 1155 GMT 29 Apr 94

[Radio Rebelde answering machine calls with host Roberto Cavada—passages within quotation marks are recorded]

[Text] [Cavada] I have a caller in connection with the Miami far right attacks against Lawyer Magda Montiel. Good morning.

[First unidentified speaker] Good morning, Cavada. I wish the Miami people were listening to Radio Rebelde right now to tell them that the Cuban people are very proud to have welcomed Mrs. Montiel to Cuba. She is an honorable woman and she is demonstrating right now the character of Cuban women such as Mariana Grajales. She is righteous, and will not let anyone intimidate her.

Something else. I want to tell [Tomas Garcia] Fuste and that fat, bald, and blabber-mouth Angelito [Martin] guy, both of whom had Fidel dead and buried, that even if that were to happen and if our commander in chief was dead, we would be the first ones who would not let the likes of them set foot in Cuba. They are fascists, and so filled with hate that they will never be able to live side by side with the Cuban people. We seek love. We do not seek the hate that permeates them. They even say obscenities and insult people on the radio. They are a bunch of old bags that ought to keep quiet and yet they babble a lot.

The Cuban people have to support Magda Montiel, have to support her so as to let the Miami lot know that we support all those who came here seeking peace and love among Cubans. That ought to be stressed day in and day out, Cubans ought to call the radio so they can see that we are not the bad guys, they are.

[Cavada] Thank you very much. Next, I have several more calls to the answering machine. Good morning.

[Second unidentified speaker] "Good morning and thank you very much for this opportunity. Why does this Cuban lawyer there—where human rights, liberty, and freedom of the press, speech, and movement are so touted—not present a report to the Human Rights Commission explaining this problem? They say that here we violate every human right, yet: What are they doing right now? Do they not say that there is a lot of freedom, and that everything is free there. Well, they should also go before those dubious human rights commissions."

[Perez] "Good morning. My name is Ana Perez from Cerro Boulevard. I want to give my opinion regarding the interview with the journalist [as heard] who visited Cuba. I believe that those who are doing this in Miami are not even Cubans. I have relatives in Miami. And I believe that my relatives's dearest hope is to be able to come to Cuba and live together with us again. I do not believe these people are even Cubans, but two-bit politicians that want to live off politics and corruption. I have visited Miami and seen it on the television. I believe these people are not even Cubans nor love Cuba. They are shameless people. There is no need to be attacking anyone there, in addition to everything they do everyday. I think that what they are doing is abhorrent. Coming to Cuba is no crime."

Authorities Apprehend Six Florida-Bound Rafters

PA3004045094 Madrid EFE in Spanish 1929 GMT 29 Apr 94

[Text] Havana, 29 Apr (EFE)—Six Cubans who attempted to leave the island illegally in a boat were arrested today at El Malecon, the Havana avenue bordering the northern coast, in an area near the U.S. Interests Section, eyewitnesses have reported.

They are four men and two women who were spotted by a coast guard patrol several miles away. The coast guard patrol steered the rafters' flimsy boat to El Malecon, where they were met by police. A police car took the group of "rafters" away from the area, while approximately 50 bystanders and passersby witnessed the scene, according to the sources. The frustrated "rafters" attempted to reach the coast of Florida aboard a simple raft constructed from three tractor chambers, tied to pieces of wood with rope.

So far this year, 1,824 Cubans have reached the coast of Florida and of this number, 718 were picked up by the U.S. Coast Guard this month, according to the U.S. agency.

Conference To Create Association of Caribbean States

FL2904225094 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 94

[Text] At the First International Conference on the Sustainable Development of Small Insular States, which is being held in Barbados, a nongovernmental organization proposed that a declaration against the U.S. blockade on Cuba be included in the conference's final document. The proposal was made by (Peggy Antrobus), general coordinator of the Alternative for Women's Development, who recognized Cuba's strong emphasis on social development and the prioritization of investments in health care, education, and social security.

As part of that conference, on 4 June, a minisummit will be held to create the Association of Caribbean States, which will encompass not just English-speaking states but the entire Caribbean community, including Cuba. At that meeting, the heads of Caribbean states and governments will sign the constitution that will govern the association, whose goal is the establishment of a solid development program for the whole region.

Venezuelan Foreign Minister Miguel Angel Burelli Rivas underscored the current and historical importance of Caribbean union:

[Begin Burelli recording] Once again the entire Caribbean community is united in a single body and in a single assembly. In the last 30 years, despite Cuba's historical and political weight, those abroad, specifically European countries, have viewed the Caribbean as exclusively English-speaking countries. Of course, those countries are very important; but the Caribbean includes much

more than only those countries. The Caribbean has great importance historically, politically, and strategically. [end recording]

Foreign Minister Burelli added that the Association of Caribbean States will have goals identical to those of other international organizations, such as the Organization of American States.

[Begin Burelli recording] Except, in this case, the [words indistinct] is official. It will echo all aspects, languages, and interests of the Caribbean, which until now have always been divided. [end recording]

President Chiluba Compares Zambia, Cuba

FL3004014494 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Apr 94

[Text] With its customary warmth and hospitality, Santiago de Cuba welcomed Zambian President Frederick Chiluba, who for nine hours visited this city accompanied by Cuban Foreign Minister Roberto Robaina. Escorted by Esteban Lazo, Politburo member and first secretary of the Communist Party of Cuba in Santiago de Cuba Province, President Chiluba and his delegation honored Jose Marti at the Santa Efigenia Cemetery. The delegation visited the Antonio Maceo Revolutionary Plaza, the Center for African Culture, and toured the museums of the Siboney farm [Granjita Siboney] and the former Moncada Barracks.

Frederick Chiluba also visited the Santiago Hotel, Cuba's first five-star hotel, and Santiago de Cuba's modern hospital which has capacity for more than 1,000 beds, which since its opening has treated 500,000 patients in 28 different specialties.

[Begin recording, in English with superimposed translations into Spanish] [Reporter] Mr. President, which have been the main topics of your conversations with the Cuban government?

[Chiluba] That we share a lot in common as members of the Nonaligned Movement and, of course, of the Third World. We face similar economic difficulties and therein lies the need for us to cooperate. Because of the very heavy social investments made in the fields of health and education, we have benefited tremendously. There are Cuban people working in our country who are helping to improve the living standard of our comrades there. So I think our coming here is intended further to strengthen the relations between the two countries. We consider it a matter of life or death that small nations need to cooperate and move together to be able to face a bigger world. We are happy to be here.

[Reporter] Thank you very much, Mr. President. [end recording]

At this moment, Frederick Chiluba and his official delegation are on their way back to Havana after having met with Zambian students who reside here in Santiago de Cuba.

Lazo Greets Zambian President

FL2904180394 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Apr 94

[Text] On 29 April, Zambian President Frederick Chiluba and the high-level delegation accompanying him traveled to Santiago de Cuba Province where they are scheduled to meet with Zambian students in schools in Santiago de Cuba, Camaguey, and Moa, among other activities.

This morning, President Chiluba rendered homage to Jose Marti at Santa Efigenia Cemetery following his arrival at Antonio Maceo International Airport where he was greeted by Esteban Lazo Hernandez, member of the Politburo and first secretary of the Communist Party of Cuba in the province.

President Chiluba, accompanied by Foreign Minister Roberto Robaina, also visited the Antonio Maceo Revolution Square where he took in aspects of Maceo's thoughts and actions against Spanish colonialism. Chiluba and his delegation are now visiting the African Cultural Center and will visit, this afternoon, the Granjita Siboney Museum and the former Moncada Barracks, as well as meet with Zambian students in Santiago de Cuba.

Haiti

Cedras: 'Power Does Not Interest Me'

FL2904203794 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Apr 94

[Text] Power does not interest me. This is what the commander in chief of the Haitian Army, General Raoul Cedras, stated during an interview by LUMIERE NOIRE magazine. In this interview, the head of the Haitian Army recounted the facts which allegedly led to the 30 September [1991] coup d'etat. [words indistinct] to explain [words indistinct] that President Aristide had stirred up. He has always tried to push the institutions to the limit through the streets in order to get rid of any counterpower, eliminate some people, and terrorize possible opponents. He has always been a leftist militant. Even after he came to power through election, he was not able to differentiate between his revolutionary fervor and his new status as head of state, states Gen. Cedras, who advances three reasons for the attitude of the international community after the coup d'etat:

The principle of respect for elections means that if a president has been elected, he has the right to (?fulfill his mandate until it expires). He left on 30 September [1991]. The OAS immediately met to condemn Haiti without analyzing the situation first. I have noted that all the presidents who urged the OAS to take those measures—Perez of Venezuela, for example—were members of Socialist International, Gen. Cedras explained.

The third reason put forward by the head of the Haitian Army is solidarity among presidents because, even though there are three powers in a state of law, it is nevertheless the executive that prevails, Gen. Cedras explained.

Gen. Cedras says he is not in power. I am not at all interested in assuming power; I rely on the men of this country to find a solution. Power for power's sake is not an end in itself, but implies first the sense of responsibilities. In this conversation with LUMIERE NOIRE, Gen. Cedras also advocated the creation of a political center. It will be necessary, Gen. Cedras said, for the middle classes to take charge of (?one another), to play a political role in the noble sense of this word, to ally themselves in promoting a candidate of consensus and progress with a precise agenda and who can establish the sense of state, of national interest; all that would put an end to the personal ambitions of some and the external interferences of others. We must give rise to the emergence of a middle class that will be able to assume legitimately a new democratic power cleansed of all excesses.

Gen. Cedras appeals to the conscience of international opinion, of all honest democrats who have been misinformed. The truth is that in Haiti we had an electoral coup d'etat [words indistinct] through the ballot and opposed to any kind of organization and to all institutions lacking an agenda, lacking a code of ethics, and whose sole policy is to sow division and to give rise to hatred among the various components of the population by inciting [people] to murder, Gen. Cedras explained.

In the same magazine there is an interview with former Haitian President Leslie Francois Manigat, who spoke of an international coup d'etat within the scope of the situation in Haiti.

Official: Explain State Funding of Aristide Expenses

FL2904204394 Port-au-Prince Radio Metropole in French 1600 GMT 29 Apr 94

[Text] The president of the Chamber of Deputies calls on the Haitian minister of finances and U.S. Secretary of State Warren Christopher to shed light on the use of Haitian state funds by President-in-exile Jean-Bertrand Aristide. In a letter addressed to Minister Rey and to U.S. Secretary of State Warren Christopher, Deputy Monde indicates that the Haitian populace has the right to explanations of President Aristide's expenses covered from state funds frozen abroad.

Aristide Spokesman: Antidrug Initiative Too Late

FL2904203694 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Apr 94

[Text] The spokesman for President Aristide, Jean-Claude Martineau, has reacted to the antidrug operation led by the Haitian military authorities. The initiative has come too late, according to the president's spokesman. Martineau reaffirmed that the Haitian military authorities are involved up to the hilt in drug trafficking.

[Begin Martineau recording, in Creole] A big drug dealer made a series of statements before the U.S. Senate, perhaps one week ago. He stated before a U.S. Senate committee that [Lieutenant Colonel] Michel Francois [Port-au-Prince police chief] is involved up to the hilt in drug trafficking. Obviously, it was not necessary for anyone to come tell us about that to know it. Besides, this is something that President Aristide has been denouncing for some times. We have heard that there is an operation aimed at arresting drug dealers in Haiti. Why are they trying to arrest those involved in drug trafficking (?only) after this accusation, when they knew about it previously? [end recording]

This was the spokesman for President Aristide, Jean-Claude Martineau.

Drug Traffickers Arrested; Marijuana, Arms Seized

FL2904203994 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Apr 94

[Text] The Haitian Antidrug Brigade announced on 28 April that on 26 and 27 April it carried out an important search operation that resulted in the arrest of seven traffickers wanted by the police and the questioning of 27 other persons. The operation led by this brigade, with the help of tracker dogs trained in the United States and mixed units of the capital police, resulted in the recovery of arms and ammunition and the seizure of an unassessed amount of marijuana. Among those arrested are two Colombians holding false Dominican passports and one Dominican. The three will be extradited to their countries of origin very soon.

Haitian antidrug services have pointed out that Colombian citizen Orlando de Jesus Arena Alvarez, 44, who was extradited to Bogota on 20 April after he had been arrested following a four-year stay in Haiti under a false Venezuelan identity, had been sought by the Colombian Justice Department as one of the leaders of the Medellin Cartel.

Tijuana Municipal Police Director Shot to Death

PA2904162694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 Apr 94

[Report by Martha Eugenia Davila in Tijuana from the "Early News" newscast]

[Text] Violence and insecurity unfortunately continue here in the city of Tijuana. Federico Benitez Lopez, director of the Tijuana Municipal Police, was killed last night in an attack.

According to preliminary reports, an anonymous call was received at 2000 at the Tijuana Public Security Directorate, which was headed up by Benitez Lopez. The phone call warned that a bomb had been planted at the Tijuana airport. Municipal police officers, led by Benitez Lopez himself, went to the airport. After a fruitless search for the bomb, the police officers left the airport via the airport road. While stopped at an intersection known as Puente Tijuana, Federico Benitez and his bodyguard Ramon Alarid, who were traveling in a white pickup owned by Tijuana Municipality, were ambushed by and fired on from a dark red Bronco pickup with tinted glass windows. This vehicle was later abandoned at the Murua (?parking lot) in this same city.

Policemen were deployed in large numbers after this unfortunate incident. Members of the Federal Judicial Police, State Judicial Police, Municipal Police, and national security forces were deployed. Federico Benitez was taken to a Red Cross Hospital. He had two bullet wounds, one in the head and the other in the neck. Despite efforts to save his life, Federico Benitez died at 2215. His bodyguard Ramon Alarid had died instantly.

Surveillance of the area was ordered. All exits from Tijuana, the most visited city in the world, were also placed under surveillance. This operation continued throughout the night and continues this morning.

Apparently, a medical report was going to be released, but this was postponed. We are waiting for more information. In an interview, Jorge Alvarez, commander of the 2d Sector of the State Judicial Police, and Captain Jose Luis Lopez, of the same police department, agreed the ambush had been carefully planned.

This situation has created anxiety among the population. This is one of the unfortunate incidents that has infuriated the people of Tijuana, Baja California, and the entire nation.

Said To Have Information on Colosio Killing

PA3004133694 Mexico City XEW Television Network in Spanish 0430 GMT 30 Apr 94

[Text] Today, National Action Party President Carlos Castillo Peraza said the Tijuana police security director, who was gunned down last night, had information on the assassination of Institutional Revolutionary Party presidential candidate Luis Donaldo Colosio. Castillo said his party repudiates and demands an investigation of the assassination of party member Jose Federico Benitez Lopez, municipal public security director in Tijuana, and Benitez' bodyguard Ramon Alariz.

[Begin Castillo recording] First, we repudiate the crime. Second, we demand a thorough investigation. Third, we appeal to the citizens of Baja California, who apparently have been selected as the target for intimidation, to behave civilly, politically, lawfully, and peacefully. [end recording]

Speaking to this station, Castillo said Benitez had given information to the Special Deputy Prosecutor's Office in charge of investigating Colosio's murder and that on 29 April he planned to talk to deputies and senators who are members of the commission created to investigate the crime.

[Begin Castillo recording] It is surprising, worrisome, and alarming that Benitez was assassinated the day before that meeting would have been held. [end recording]

Castillo added that the violence in Mexico provoked by some groups is an attempt to create a climate of insecurity and fear in the country.

[Begin Castillo recording] Cardinal Posada's assassination, the outbreak of violence in Chiapas, the kidnappings with which we are all familiar, Colosio's assassination, and now this murder all look like an attempt to create a climate of fear and terror in Mexico, which runs contrary to all civilized coexistence and the interests of those of us who are fighting for democracy from many angles. [end recording]

Castillo said the people should do everything possible to defeat crime, terror, unlawfulness, and violence.

Salinas Addresses Stock Market Convention

PA2904144894 Mexico City XEW Television Network in Spanish 0430 GMT 29 Apr 94

[From the "24 Hours" newscast; passages within quotation marks recorded]

[Text] President Carlos Salinas de Gortari, during the opening of the 5th National Stock Market Convention, has assured that the incidents that have occurred in Mexico change neither the unity nor strength of the Mexican people's undertakings

[Salinas] "We will not change our course, nor will we be slowed down; on the contrary, in government institutions we are more intent on joining the new times."

During the ceremony at Los Pinos, the president affirmed the commitment to act based on law and through dialogue.

[Salinas] "When faced with criminal actions by individuals or gangs, the Mexican States have confirmed their

willingness to respond with the full strength of the law. Through dialogue, we will face legitimate social claims while recognizing our growing plurality."

The president said Mexico's economy can develop further, and he reconfirmed the stock market's growing importance in the state's modernization.

Manuel Robleda, Mexican Stock Exchange president, said that under this administration, the volume of operations in the stock exchange has increased 2.8 times, whereas the world's main stock markets have increased only .24 times. He spotlighted investments made by stock companies and the financing of stock for $27 billion for the production sector, and he acknowledged the development of the Mexican stock market must grow further.

Luis Miguel Moreno, president of the National Securities and Exchange Commission, said that under this administration, 142 public offerings of shares have been made for more than 39 billion new pesos in Mexico and abroad, an unprecedented amount in the stock exchange's 100 years of operation.

[Moreno] "The Mexican stock market, as an open system, has been hurt by recent unexpected events; nevertheless, the market has indicated that even under adverse, temporary situations its level of maturity is greater and its institutional structure more solid."

Moreno said that during this current temporary situation, there will be no change of course, nor will the rules of the game be modified to take advantage of short-term conditions or temporary benefits.

[Moreno] "The authority of the stock market is adhering to its main goals, market integrity, and the guarantee that its operations take place under equal opportunities, thereby protecting the general interest of investors."

Pedro Aspe, finance and public credit secretary, and Miguel Mancera, governor of the Bank of Mexico, also attended the ceremony.

Army Troops Moving Toward Jungle Area Near Chiapas

PA2904142994 Monterrey EL NORTE (Foreign Edition) in Spanish 27 Apr 94 p 9A

[Report by Daniel Pensamiento from Chiapas]

[Text] Tuxtla Gutierrez—Mexican Army troops have traveled to an area 5 km from the peasant settlements of Yalcoc and El Encanto and to the communities of Progreso and Gabino Vasquez, near the Lacandona Jungle, where they are digging trenches to assume positions. Journalists have toured the area and ascertained the Army is building two new camps where soldiers will be posted until fighting resumes or peace is signed.

A military checkpoint installed in El Encanto, 10 km east of Chiapas, was moved 5 km toward the Lacandona Jungle during the first half of January. The soldiers installed their sophisticated weapons and radio communications equipment there.

The military chiefs are issuing orders for the deployment or transfer of troops headquartered in Progreso and Gabino Vasquez from their provisional headquarters in Yalcoc. Chiapas residents have reported there was a routine mobilization of troops on the streets of that town. "Trucks have suddenly arrived loaded with numerous soldiers who were posted at the municipal presidency and the park to apparently stand guard in the area," said residents who have requested anonymity out of fear.

Agricultural laborers found the remains of Humberto Hernandez Conde, a municipal police agent who was presumably kidnapped by the Zapatist National Liberation Army [EZLN] in early January.

Julio Latty, municipal police commander in Comitan, reported a group of peasants found Hernandez' remains in San Antonio Zeta, 7 km east of Comitan. "The peasants reported their finding, and we immediately traveled there and recognized the former police agent by his shoes and parts of his uniform," Latty has said. He recalled that Hernandez had been presumably kidnapped by EZLN members in early January, when he disappeared.

Drug Seizures Linked to Traffickers' Murders

PA2904191994 Monterrey EL NORTE (Foreign Edition) in Spanish 26 Apr 94 p 21A

[Text] A drug trafficking group that transports marijuana and cocaine from southern Mexico to cities bordering Texas has extended its Mafia execution arm to Nuevo Leon, where five people have been murdered. Of the six apparent narcotrafficker murders in 1993, five occurred in municipalities located close to highways and places where Federal Judicial Police [PJF] had previously discovered shipments of tons of marijuana.

The bodies of the murdered men were found in the towns of China, General Bravo, Cadereyta, and Santiago. Another murder took place in Mina, and according to investigations by the State Judicial Police, the suspects in that crime are linked to the murders in China and Cadereyta.

The Monterrey-Reynosa Highway is toll-free, and the PGR [Attorney General's Office] has seized tons of marijuana there. It is also a place where drug traffickers have "settled accounts" several times. Drugs coming from Oaxaca and Michoacan States usually go to Reynosa, Matamoros, or Ciudad Mier.

The PJF got involved in drug trafficking activities in 1993 when Commander Jorge Guzman Torres, aided by "godmothers" ["madrinas"], kidnapped Lauro

Gonzalez Garcia. Police identified the kidnapped man as a drug trafficker, and he paid federal agents 200,000 new pesos for his release.

The PGR has confiscated shipments of tons of marijuana on the highway between China and General Bravo and in country houses in Cadereyta and Ciudad Benito Juarez. PGR actions, which led to the confiscation of almost 5 tons of marijuana, took place a few days before or after the body of a murdered man was found.

Merchants Gaspar de Jesus Sandoval Rodriguez and Martin Garcia Rodriguez, alias El Guero Martin, were executed in January. The following month, the PGR seized 2.376 tons of marijuana in two actions.

On 9 February, just seven days after finding the body of Garcia Rodriguez, alias El Guero Martin, the PJF seized a ton of marijuana in a tractor-trailer operated by two people. The PJF also found 1.376 tons of marijuana in a house on the San Isidro de Cadereyta estate on 20 February. They also arrested two men who were loading the drugs into a Suburban.

On 28 February, Lauro Gonzalez Garcia, suspected of executing Sandoval Rodriguez, was kidnapped by PJF Commander Guzman Torres with the complicity of "godmother" Cuauhtemoc Labastida Salazar. The association between the PJF and the drug traffickers ended when Gonzalez Garcia paid 200,000 new pesos for his release.

Lawyer Octavio Leal Moncada and physician Javier Salinas Perez are said to be suspects in the death of Garcia Rodriguez, alias El Guero Martin, for alleged joint business transactions. Leal Moncada, however, told a Prosecutor's Office investigator that Garcia Rodriguez was his friend, and the physician asserted that the murdered man owed him 700,000 new pesos. During a special operation, the PJF unsuccessfully attempted to arrest Labastida Salazar, who was accompanied by Leal Moncada at the time, in his house in Colonia Las Brisas. The "godmother" and the lawyer are currently fugitives.

Although the PGR arrested two alleged members of a drug trafficking band in General Bravo in January, they were investigated as members of a marijuana and gunrunning group in June 1993. This month, Francisco Garcia Martinez, an employee of Angel Avila Neri, came to EL NORTE to personally report that the PGR is persecuting his boss and three other people.

The PGR established that Avila Neri was a ringleader whose accomplices included Jose Santos Rodriguez Cantu, alias La Pinina; brothers Martin and Jorge Arizpe Gonzalez; Jesus Antonio Gutierrez Gonzalez, alias El Zurdo; Juan Aguilar Gonzalez; and "Lalo" Solis.

On 9 August, Margarito Hernandez was murdered in Cadereyta, allegedly by Horacio Montelongo Salinas, during a discussion over drug debts. The alleged killer is the brother of Jose Luis Montelongo Salinas, a suspected drug trafficker who was later murdered in Matamoros, Tamaulipas. Jose Luis Montelongo was also a suspect in the murder of Gaspar de Jesus Sandoval Rodriguez.

Almost a month after Margarita Hernandez's murder, the PGR confiscated half a ton of marijuana that they found buried in a trench in a Colonia Monte Bello house in Ciudad Benito Juarez. Two other important actions carried out between 6 and 9 November resulted in the seizure of 2.565 tons of marijuana; the first in Ciudad Benito Juarez and the other on a train heading for Matamoros. Five days later there were two murders; one in General Bravo and another in Santiago.

The PJF found 396 kg of marijuana in the cellar of a house in Colonia Lomas del Solo in Ciudad Benito Juarez on 6 November. The PJF went to the house because two women reported the presence of the drug when they were arrested with a shipment of 168 kg of marijuana in their vehicle. On 9 November, the PJF seized two tons of marijuana in a train boxcar.

Those confiscations presaged the murder of Abel Salazar Martinez, who was found in General Bravo on 14 November. He had disappeared from his home in Weslaco, Texas on 8 November. Jaime Enrique Lopez Castillo's body was found 15 days later at the 13-km marker of Santiago-Juarez Highway near the La Boca Dam. Lopes Castillo had also been murdered.

The year 1993 ended with a "war" among alleged drug traffickers and a "settling of accounts" in General Bravo.

The homes of Jose Santos Rodriguez Cantu, alias La Pinina, and Martin Arizpe Gonzalez were strafed by AK-47 rifle fire. The Caballito de Mar Restaurant, owned by Angel Avila Neri, was also bullet riddled. Fourteen days after the attacks in General Bravo, the PJF arrested two alleged members of the Avila Neri band, which had been under investigation since June 1993.

Juan Jose Cantu Gonzalez and Raul Gutierrez Gonzalez were presented as members of the "Jabali" guerrilla commando, which was planning terrorist actions in Nuevo Leon. Later the PGR retracted and said they were only drug traffickers and gunrunners.

The Sixth District Judge ordered Gutierrez Gonzalez' release as he believed him innocent of storing weapons and cartridges and of illegally possessing and transporting marijuana with the intent to take it out of the country.

Houses searched

The PGR continued its investigations in the state to discover the drug network headed by Matamoros Cartel chief Juan Garcia Abrego. A special PJF group has searched several houses and country homes in Monterrey in the past months to find evidence against the partners of the so-called drug capo. The state PGR delegation also wants to identify the safe houses and the marijuana and cocaine distribution centers.

So far, the searches have not resulted in the arrest of any of the alleged drug traffickers. Several people whose houses where searched assert they have no ties with Garcia Abrego.

Finance Secretary on Economic Situation

PA3004224994 Mexico City XEW Television Network in Spanish 0430 GMT 23 Apr 94

[Statements by Finance Secretary Pedro Aspe during celebration of the 50th Anniversary of Banco de Oriente in Puebla on 22 April; from the "24 Hours" newscast—recorded]

[Text] I would like to take advantage of this occasion to make a few comments on the current economic situation. As we have said, the painful and regrettable events that Mexico has experienced in the first quarter of this year—in addition to its tragic human dimension—have generated effects on the nation's economy in general and on the financial markets in particular.

The financial markets reflect these temporary or transitory events however. It is important to acknowledge that these have been adjusting in a disorderly [as heard] fashion. This orderly adjustment, within a legal framework, demonstrates that our markets are much more stable than in the past, much more mature than in the past. It also demonstrates we have more solid financial institutions than in the past, that we maintain an unchanging economic policy that does not vary with passing incidents, rather it maintains its course, steered by its guidelines. We also have a much healthier and more stable economy.

This transparent adjustment has occurred in an economy that is completely different from the past. Currently we have an economy that is much more open to outside markets, more diversified, which, together with the financial sector, has allowed us to absorb these events.

I would like to simply point out some of the important changes that have taken place and that are reflected in the consensus of the agreement that we recently ratified. The government, within the agreement, must comply with its commitments. For example, it must not have a fiscal deficit in keeping with Congress' mandate and it must maintain a cautious monetary policy. This can be achieved through the new Banco de Mexico, which has autonomy at the constitutional level and has as its main goal safeguarding the currency's purchasing power, that is, to keep inflation low.

Obviously, when faced with this temporary uncertainty, the markets, as I said, adjust to the circumstances. The temporary interest rate increases are the appropriate reply. Nevertheless, these rate increases are transitory and for the short term. You may recall some events in the past, and not the too distant past. You may recall for example, in March 1992 when interest rates started to fall there was uncertainty, the interest rates then started to climb, the exchange rate fell more than planned. At that time, it was said this could turn back the progress made. Nevertheless the course was maintained, there was calm, positions and guidelines were maintained. As a result, the interest rates went down again, the stock market also started to recover.

Do you recall a more recent event in October 1993, which was not long ago. Remember that at that time, there were external events; now there are internal and external events, as I said before. We had to adjust the markets at that time and you will recall that in October the interests rates rose; there was an adjustment in the stock market, however, and the course and the guidelines were maintained. There was no fiscal deficit; there was no more printing of currency, no more statements that inflation does not count. On the contrary, the course was maintained. In this way, as in all difficult times, such as those we are now overcoming and those that we will certainly have to overcome in the future, the guidelines, the course, the spirit, and renewed motivation must be clearly maintained.

Let us recall some important changes that have taken place in the past years. From an economy with skyrocketing inflation, that averaged over 80 percent and that at times totalled 200 percent a few years ago, last year, our inflation rate was down to 8 percent. From March to March [years not specified] it was 7 percent, and from April to April, from May to May, we will continue reducing it. From an economy that had a public sector deficit of 17 percent of what we Mexicans produced in 1982, and 11 percent in 1988, we now have an economy that has no deficit or any surplus.

The government now only spends what it has, it does not overspend to subsequently tax the individuals with inflation. We do not spend more than we have. This is also a government—one must recall because at times we forget—for which barely 10 years ago 60 percent of its budget consisted of paying interest; 20 percent was disbursed in transfers to companies such as [name indistinct], and Metalmecanica, and so forth. The other 20 percent that remained was earmarked for education, health, and social security matters.

In our current budget, 56 percent is earmarked for education, health, potable water, sewers, ecology, and housing. We only earmark 10 percent of the transfers to the payment of interest; previously it was 60 percent of the budget. The rest is spent on basic support programs for the countryside, support for ecology, and so forth.

Let us take a look at these very important changes. From a government that spent on things and paid interest, we now have a government that spends on its people, on its community. Its largest disbursements are for fundamental matters such as education and health, to give the community better opportunities for education and thereby better opportunities to access the job market and for a decent life.

You can note the significant change from a totally protected economy that was overregulated with trade

barriers to an open economy, with fewer regulations, and with a dynamic exporting sector. This is an economy in which only a few years ago 90 percent of its exports was made up of petroleum. Last year, 87 percent of our exports were not petroleum, they were nonpetroleum exports. This year, most certainly, given the dynamics in nonpetroleum exports, more than 90 percent of the exports will no longer be petroleum. This is an economy in which, during the first two months of this year, the dollar amount of nonpetroleum exports grew 28 percent. Nonpetroleum exports are growing 28 percent annually. The figures are the most dynamic in the Western Hemisphere. This is because the companies have been transformed to participate successfully in the international markets.

Undoubtedly, there is still a great deal to do, but we should not let any passing event make us doubt the strength we Mexicans have to develop. It certainly is not time to change course. It is time to advance unitedly, with courage, and with conviction toward a future that will certainly be more prosperous and more just. Let us not become discouraged for any reason. In the past, we have overcome problems, we are currently doing this, we will overcome them again in the future when they arise.

Mexico has a guideline, it has leadership, and a course. Mexico has a first-class work force, it has businessmen who have demonstrated their courage, their valor to risk their capital. Today, we commemorate this at the Banco de Oriente, in these times of reforms and changes, so we can have stronger companies, better jobs, better projects that benefit Puebla, Tlaxcala, the region, and Mexico. I congratulate all of you bank shareholders, advisers, and employees. You are truly a source of pride for the state, for the region, and it must also be said that men and women such as you, who risk your capital and who generate jobs, are a source of pride for Mexico. Thank you very much.

Foreign Secretary: U.S. Visa Policy 'Very Generous'

PA3004031594 Mexico City Radio ACIR Network in Spanish 0015 GMT 30 Apr 94

[From the "ACIR Radio News" newscast]

[Text] This morning, the U.S. Government announced modifications to visas issued for travel to the United States. I am going to explain the communique they sent us, which has somehow led to confusion. I will explain what will happen with the so-called border-crossing visas [mica]. There will not be changes with regard to indefinite border-crossing visas. [sentence as heard] All other visas stamped on your passports, even those that read indefinite, will no longer be so.

In keeping with a worldwide effort to make the automatic handling of visas more efficient, three years ago the U.S. Embassy began issuing nonimmigrant visas which are read by computers. These have a maximum validity of 10 years.

Therefore, starting on 1 January 1995, all indefinite validity visas issued before 1 January 1995 will be canceled. In addition, after 1 January 1995, indefinite visas will not be valid after 10 years of their issue date. Nonimmigrant visas are those issued to tourists, businessmen, students, and other persons who travel temporarily to the United States.

In their communique, they posed some questions to try to clarify the doubts the public may have. One says: What will happen with the indefinite visas already issued? Beginning on 1 January 1995, indefinite visas stamped on passports will be canceled 10 years after their issue date. For instance, visas issued before 2 January 1985 will not be valid as of 1 January 1995, and an indefinite visa issued in 1990 will be valid until the year 2000.

Another question formulated is: What must people holding indefinite visas on their passports do? They must revise their date of expiration, which will not exceed 10 years, and take steps to obtain a visa for only 10 years, if expired. I repeat, indefinite visas will no longer exist.

Will this policy affect border-crossing visas, Form I-186? No. This measure only affects those whose indefinite visas are stamped on their passports. If you are holding an indefinite border-crossing visa, there is no problem.

Evidently, this has generated reaction. Why has the U.S. Government taken this position? Here in our country, some pronouncements were made on the issue. Foreign Relations Secretary Manuel Tello ruled out the restriction of U.S. visas to 10 years starting in 1995 as being an anti-immigration measure, which is obviously what people thought at first.

Let us listen to Marcela Gutierrez:

[Begin recording] [Gutierrez] Foreign Relations Secretary Manuel Tello ruled out the 10-year limit of U.S. visas as being an anti-immigration measure by the United States. On the contrary, he indicated, the U.S. visa policy is very generous.

[Tello] If I receive a visa that is valid for 10 years to visit a country, I would think it is a very generous visa. I repeat once more, we grant foreigners visas to visit Mexico for only 180 days.

[Gutierrez] The foreign minister reiterated our country will not modify the duration of the visas issued to foreigners. Interviewed at the Foreign Relations Secretariat, Manuel Tello stated it is the exclusive responsibility of the U.S. Government to decide the duration of the visas.

Finally, he concluded it is not irregular that with the commercial opening, the government of the neighboring country decided to limit indefinite tourist visas to 10 years. [end recording]

NAFTA May Be Used To Settle U.S. Tuna Embargo

PA3004043294 Mexico City LA JORNADA in Spanish 28 Apr 94 p 51

[Report by Patricia Munoz]

[Text] Yesterday, the Secretariat of Fisheries [Sepesca] said Mexico has not ruled out the possibility of resorting to NAFTA to settle the tuna embargo imposed by the United States on the country, which has caused economic damages estimated at approximately $50 million to date. It reported 70 percent of the national fishing cooperatives have gone into debt to balance their financial situation, and 60 percent of them have been forced to restructure their debt with the banks.

This past year, the number of cooperative boats in the Pacific has been reduced 25 percent and the number of private fishing boats has also been reduced by an equal percentage. By contrast, the number of foreign investment projects in this sector is increasing, particularly as regards to the development of aquiculture and fishing in territorial waters.

Juan Jose Moreno Sada, Sepesca federal delegations coordinator, and Geronimo Ramos, director of International Fishing Affairs, made the aforementioned statements at a news conference, in which they also announced the 94 International Fishing Fair, from 8 to 12 June at Boca del Rio, Veracruz.

Moreno Sada explained there is an encouraging outlook in the fishing sector, because the recovery of this economic activity began in 1993. That year, production increased 3 percent, basically from the reactivation of shrimp fishing and higher domestic consumption of tuna. In 1994, this sector is expected to maintain its rate of growth and exports, which total about $500 million, will grow by 20 percent throughout the year, reaching $750 million in the next three years.

He said fishing cooperatives are steadily recovering and may even be capitalized because 310 of these companies have received financial backing to support their reactivation. Of the $250 million the fishing cooperatives owed to date, $150 million have been restructured, leaving only 40 percent of the credits to be renegotiated.

The importance of this lies in the fact that the bread and butter of approximately 300,000 families comes from fishing cooperatives, and that last year the number of boats in this sector declined from 600 to 450, namely one out of five boats stopped operating.

Geronimo Ramos, director of International Fishing Affairs, addressed the difficult topic of the tuna embargo. Regarding this topic, he said Mexico has worked hard to reduce the accidental death rate of dolphins, to the point it reached a statistical rate of "zero." This is because in the last few months, a 0.4-percent dolphin accidental death rate was achieved for tuna fishing, thereby achieving international standards in tuna fishing; however, the elimination of the U.S. embargo has not been obtained.

Asked if Mexico will resort to NAFTA to negotiate the elimination of this commercial sanction against the country, Ramos answered that the authorities have not ruled out resorting to Chapter 20 of the Treaty regarding the solution of controversies to settle this problem.

Meanwhile, the official explained that enormous interest by foreign businessmen to invest in the fishing sector has been observed. He stated there are currently a $100 million in projects to be made in the country with U.S. and European capital.

The modification of the fishing law promoted two years ago paved the way for opening the possibilities for private capital participation and investments have flowed. For instance, this year there are projects involving such Spanish companies as Costa Brava, Nueva Galicia, and O'Farril Valenciana, the investors of which are particularly attracted to aquiculture projects and fishing in territorial waters, especially in Baja California Norte and Sur, and in southeastern Mexico.

Cardenas Addresses NAFTA, Immigration Issues

PA3004162294 Mexico City Radio ACIR Network in Spanish 0000 GMT 28 Apr 94

[Report by Francisco Mendoza on statements by Cuauhtemoc Cardenas, presidential candidate for Mexico's Democratic Revolutionary Party, PRD, during a tour of Los Angeles on 27 April; from the "ACIR Radio News" newscast—recorded]

[Text] Cuauhtemoc Cardenas said he has not noticed any U.S. meddling in the Mexican electoral process and asked the Clinton administration to continue to respect Mexican positions and decisions. Cardenas said internal problems will be solved by Mexicans themselves and added that if he wins the election, he wants a mature, close, productive, respectful, and equal relationship with the United States to solve bilateral problems.

Cardenas offered guarantees for investment to help generate jobs and said he would promote changes in NAFTA to address critical omission in that agreement, such as the immigration issue. The PRD presidential candidate also pointed out that the United States has reason to be concerned about instability and the elections in Mexico because any negative event in Mexico has an impact on U.S. social, economic, and political life.

Cardenas assured that he would assume total responsibility for improving NAFTA. I am convinced, he added, that gradually, through a dialogue between friends, we can find ways to modify this agreement. It is a cornerstone for a new, imaginative cooperation structure. Nevertheless, he indicated that his view of NAFTA has not changed.

The presidential candidate said immigration issues are one area where he has found critical omissions in the treaty. This, he noted is not only the most important issue in the relationship with Mexico, but it also has the greatest potential for controversy. Cardenas criticized U.S. politicians who exploit chauvinism and racism in their xenophobic campaigns against Mexicans.

He said investment is important, but it is not the essential ingredient for economic success. He stated that if Mexicans are to live up to their potential, liberty and a state of law must be guaranteed throughout the North American market. Cardenas added that his main goal is to restore true democracy and justice to a society that has been ruled for too long by authoritarian decisions, patronage, and corruption.

As I reported this morning, Cuauhtemoc Cardenas also said he supported the observance of the Mexican electoral process by people abroad, by international observers. Cardenas said they should be present not only on election day but that they should already be in Mexico to learn about the whole electoral process.

In terms of the debate he will hold with other parties' candidates, Cardenas said that tomorrow, the PRD will hold a first meeting with Adolfo Aguilar Zinzer [newspaper commentator] and representatives of the Institutional Revolutionary Party and the PAN [National Action Party] to decide upon the terms of the debate. Cardenas said there was a problem with the date fixed for the debate but that they are willing to be flexible.

This is the general information in broad terms. Cuauhtemoc Cardenas is currently meeting with members of the Mexican community, PRD members in California, and Mexican-Americans assembled in downtown Los Angeles. Several Los Angeles personalities and leaders of the Democratic Party and of liberal and so-called progressive organizations will attend an evening event in Beverly Hills. Cardenas will meet early tomorrow with LOS ANGELES TIMES and LA OPINION executives. Cuauhtemoc Cardenas concludes his tour of Los Angeles tomorrow. He said no other visits to the United States are scheduled in his political campaign.

Pemex Director on Pressure To Privatize

PA0105004594 Mexico City EL FINANCIERO in Spanish 29 Apr 94 pp 1, 36

[Article by Eva Lozano Estrella]

[Excerpt] Tula de Allende, Hgo [Hidalgo], 28 Apr—Francisco Rojas Gutierrez, Mexican Petroleum (Pemex) director general, has warned there are risks and pressure tactics, mainly by the United States, to privatize the country's petroleum industry. This is why, he said, the best way to maintain the parastate company as a public company is to avoid ineffectiveness, inefficiency, and the lack of productivity; otherwise, the state will be forced to place the tapping of crude oil "in hands more capable than its own."

In a brief interview, the official pointed out that insofar as we appreciated the country's social harmony for many years, a harmony that remains broken for the time being, we must also appreciate the government's efforts to not negotiate the tapping of crude oil within the framework of NAFTA.

As Rojas highlighted the need "to be more efficient, productive, and capable" to keep Pemex away from the world trend of privatizing national petroleum industries, as currently faced by such countries as Colombia, Venezuela, Peru, and Russia, among others, he said the pressure tactics of 1938, when the industry was expropriated, are the tactics currently used to have Mexico transfer the tapping of its petroleum reserves under the old argument that "we Mexicans lack the capacity to manage our crude oil."

As he unveiled a plaque to mark the opening of the second Catalytic Disintegration Plant at the "Miguel Hidalgo" Oil Refinery, owned by Pemex, Rojas noted that the political stature shown by the Mexican oil industry while negotiating NAFTA, a time when the Mexican Government did not negotiate the tapping of its national petroleum reserves, has yet to emerge.

After opening this new facility, which will provide 24,000 gallons of Magna Sin gasoline for daily domestic consumption, he admitted there is international pressure to induce the privatization of the world's national enterprises, as is the case in Venezuela, where there is unlimited access to its oil industry because of the government's inability to make it more efficient. To that effect, during his speech to oil union members, the Pemex director general said in view of the domestic and foreign pressure, the uncompromising defense of the oil industry kept the country's sovereignty over its energy resources unharmed. In his 9-page speech, Rojas estimated that the best way to defend Pemex is to avoid inefficiency and lack of productivity; otherwise, Pemex will be forced to cede its oil to more capable hands.

Further on, he stressed the endeavors that the law stipulates as exclusive rights of the state, through Pemex, were not ceded. He added that thanks to the oil policies of the current administration, there is full confidence hydrocarbons will remain Mexican property.

During the event also attended by Hidalgo Governor Jesus Murillo Karam, Rojas said five years into the Carlos Salinas administration, changes have broadened, the country has evolved, inflation has been successfully controlled, and public finances have been cleaned up. Now, the challenge is to create more and better paying jobs because only productive and well-paid workers can guarantee all Mexican families welfare and good quality of life, he added

During his visit to the Catalytic Disintegration Plant, the construction costs of which amounted to $135 million, the Pemex director general stressed the Mexican Government's commitment to fight pollution. [passage omitted]

Chemical Industry Opposes Accelerated Tariff Elimination

PA3004043694 Mexico City EL FINANCIERO in Spanish 29 Apr 94 p 26

[Report by Isabel Becerril]

[Text] The chemical industry will oppose the accelerated elimination of tariffs under NAFTA, according to Arturo Garcia, president of the National Chemical Industry Association. He said it is wrong to follow this course at this time because NAFTA is still quite new and the three countries involved are just starting to obtain benefits from the trade pact.

He also told EL FINANCIERO that this sector had decided not to enter into any trade commitments until it received guarantees that the treaty would benefit the industry. He also noted that current negotiations with Venezuela and Colombia are "stalled" because the Venezuelans have asked that the policy on the origin of goods be made flexible. This situation has cast doubts that the treaty will only benefit those countries that signed it.

Interviewed at his office, Arturo Garcia admitted that NAFTA, which was signed by Mexico, the United States, and Canada, includes a provision that the signatories can request the accelerated elimination of tariffs on a number of products as part of the regular treaty regime. The chemical industry, however, is not willing to give up the advantages it achieved in the NAFTA negotiations.

Garcia recalled that with the treaty, the industry obtained a 10-year moratorium on tariff elimination on almost all its products because the sector proved it required a transition period to reduce its tariffs to zero, and "this was accepted by all three parties." What the industry will do, he said, is offer the United States and Canada a list of products whose tariffs can be eliminated immediately because these were not included in NAFTA and are not produced in the country.

It has to be very clear, however, that the chemical industry will not ask any tariff be eliminated on products in response to the document. "We will only offer, for their acceptance, a few highly specialized products that we do not have in Mexico." The industry's position is firm: Let the text of the treaty remain as it was negotiated.

Referring to the negotiations with Costa Rica and Chile, as well as those with the United States and Canada, Garcia said the chemical industry is very pleased with these talks because the policy on origin of goods was accepted in those talks. Unfortunately, he added, negotiations with Venezuela and Colombia have encountered problems because of the chapter that covers rules on origin. Those two countries want this chapter to be weak or very flexible, and this does not guarantee that goods from those industries in which Mexico is competitive will flow to those two countries.

Government Opens Pilot Nuclear Fuel Plant

PA3004013494 Paris AFP in Spanish 2305 GMT 28 Apr 94

[Text] Mexico City, 28 Apr (AFP)—The Energy, Mines, and Parastate Industry minister has reported that the Mexican Government today opened a pilot plant to manufacture nuclear fuel to be used by the Laguna Verde Nuclear Plant, which is located on the coast of the Gulf of Mexico. The pilot plant, situated in the State of Mexico near Mexico City, was built at a cost of about $10 million, and, according to the minister, it was constructed "in line with the strictest security and quality standards." The minister added: Experts of the International Atomic Energy Agency will train the technicians who will operate the plant.

Agrarian Sectors Demand Say in Development

PA0105043094 Mexico City LA JORNADA in Spanish 29 Apr 94 p 72-10

[Article by Matilde Perez]

[Text] In light of the upcoming elections and the subsequent change of government, the Permanent Agrarian Congress (CAP) has demanded recognition as an interlocutor in the drafting of a national project and an agricultural development strategy, as well as recognition as an advocate of the country's political and socioeconomic development.

The CAP believes it is important to give peasants greater access to posts of democratic representation to ensure that agricultural problems are discussed as "national high-priority" issues. In exchange, the CAP commits itself to promote voting in the countryside and to fight abstentionism because this is how to channel the social and political demands of this sector to the state.

This organization, made up of 11 national peasant associations, warned that if the government fails to modernize itself and to allow new local, regional, and national politicians, it will continue to slowly lose its legitimacy, thus promoting the emergence of new opposition groups.

In its document entitled *General Guidelines To Preparing the CAP Proposals To Modernize the Countryside With Social Justice*, which will be discussed on 30 April and 1 May by all CAP members and will eventually be submitted to the new president, the CAP demands political democracy and insists that the new "countryside politicians" cannot be left out of the decisionmaking process and the drafting of policies geared toward the rural social sector.

In its analysis, the CAP highlighted the Chiapas issue and the need to amend Article 27 of the Constitution and to upgrade the Program of Direct Support to the Countryside (Procampo) to constitutional rank. The CAP also believes that at least $4 billion must be earmarked for Procampo annually and that expired portfolios from official and commercial banks must be written off.

The CAP also noted its decision to join the national peace and reconciliation efforts because "neither armed nor legal violence is good for anyone." The organization maintained "all interests at stake are legitimate;" thus, it suggested "a reconciliation by way of compromise."

The CAP document, which will be discussed within the organization, indicates "the only condition we demand is justice and understanding. Should we pay any costs, these must be fair, and we must have the absolute guarantee that socioeconomic and political benefits will be fully enjoyed."

The document, which includes statistics on the evolution of international prices for basic grains and on production and harvesting costs, states the following: "The costs incurred and sacrifices made during a reform must be limited; should they not be evenly and fairly shared, any modernization project will fail."

As the CAP added that the end of paternalism means autonomy for the rural social sector, not a "divorce from the state," the organization, which will mark its fifth anniversary this year, stressed: "Accepting socioeconomic development is not populism. We demand fair conditions to compete at the level of the NAFTA trade partners."

As it addressed political issues, the CAP pointed out it already planned to meet with all presidential candidates to know beforehand their projects for the countryside and to make sure "our organizations will have solid foundations on which to choose a candidate." The organization also said its members agreed to "work for the opening of opportunities in the decisionmaking of the institutions involved in the fight against abstentionism and in the campaign to convince people to vote. As political entities, we cannot be left out of the drafting of political decisions."

The agrarian organization believes strategic alliances are necessary at all stages of primary production, industrialization, and commercialization to be "competitive in final, selective, or intermediate markets. The alliances and commitments among our organizations, industrialists, and businessmen are essential for each one of us, always under the possibility of being straightforward and complying with the already signed agreements."

Fernandez Describes Campaign Platform

PA3004003994 Mexico City Radio ACIR Network in Spanish 0000 GMT 26 Apr 94

[Report by Juan Carlos Santoyo from San Cristobal de Las Casas; from the "ACIR Radio News" newscast—live]

[Text] The National Action Party's [PAN] presidential campaign tour through Chiapas today could be described as a three-part operation. The first part was a meeting between presidential candidate Diego Fernandez de Cevallos and San Cristobal Bishop Samuel Ruiz. It was funny because those of us trying to follow him found this rather difficult. By driving a little fast, Diego Fernandez de Cevallos managed to avoid the reporters' pursuit. We later learned what he discussed with the bishop during the meeting. His main question about the peace process was why we have someone who has no relation with Chiapas on one side and someone whose identity is unknown on the other negotiating peace and reconciliation in Chiapas? Diego Fernandez de Cevallos called on the political parties to participate in the process because it is urgent and necessary for them to be a part of the talks.

After midday, he moved on to the community of Navenchauc and met with PAN members, who voiced their woes and petitions. They complained that they were not allowed to go to a specific temple, just for being PAN members. The people say they are not allowed to build any community projects. The municipal presidents of San Juan Chamula and Xinacatan, primarily, will not grant them any loans or provide the resources they need because they are not members of the Institutional Revolutionary Party. They also say they are barred from the community decisionmaking process. They believe they are worth nothing. Diego Fernandez de Cevallos said something that caught many people's attention: I am not God, nor do I have the gift of magic, but I hereby promise to talk with you and settle these differences, especially with your authorities.

Without a doubt, Diego Fernandez de Cevallos' main event of the day was to take place in San Cristobal de Las Casas. And that it was, because it has already concluded. He gave what he called his famous San Cristobal de Las Casas Proclamation of April 1994. These are the six main points of his proclamation, which was broadcast live by a local radio station here in Chiapas and beamed nationwide, via satellite. These are his words:

[Begin Fernandez de Cevallos recording] Ladies and gentlemen: I deeply thank you for being here, and I thank Radio 640 for the opportunity to broadcast this message to the people of Chiapas. It is also being broadcast to the whole nation via satellite. This is a manifesto to the people of Mexico from the PAN.

1. The PAN hereby and definitively reaffirms today, as it always has, its humanistic, pacifist, and democratic proposal. We therefore call upon all Mexicans of good faith to join a grand national effort directed at giving the nation a truly democratic government, a government that will promote unyielding respect for human rights, encourage the community to produce for the benefit of the people, contribute to improving our judicial system, and guarantee the full implementation of the state of law.

2. We strive for a profound change in the way the government exercises its power, so that power will always and without excuse be subjected to just laws for the benefit of the people.

3. We reject the current economic model, because it has concentrated wealth in a disgusting way and has impoverished 40 million Mexicans. We demand and propose an economic system that will serve all human beings, always be subjected to ethical standards, and generate equal opportunity for all in the generation and distribution of national wealth.

4. We intend to seriously and extensively promote the states of the Federation and all of the country's municipalities, by way of a true political, economic, and social federalist system. Presidential centralism is the source of all the evil and injustice that oppress and degrade the nation's life. It denies the sovereign rights of the states of the Federation; it subordinates the country's municipalities by way of a rampant and often murderous autocracy.

5. We call for an educational program, in which the government and the community must work together. We must encourage the overall development of all human beings, but with respect for their dignity. This we must attain while strengthening the cultural, ethnic, religious, and ideological plurality that characterizes Mexico.

6. The PAN, in keeping with its history of democratic civic spirit, strongly says no to violence. It supports an honest, respectful, and sincere dialogue in favor of justice and peace. We reiterate the need to achieve the maximum participation of Mexican society and its institutions in a dialogue based on truth that can lead us to a national understanding. We emphasize the importance for peace of a dialogue between the government and the Zapatist National Liberation Army [EZLN]. We categorically support the dialogue and we hope honorable agreements result from it. We refuse, however, to even believe that representatives of the president of the republic and of the EZLN can define and compromise the life and institutions of Chiapas and of Mexico.

In our opinion, ladies and gentlemen, from this dialogue we must expect a civilized agreement between the government and the EZLN to legally promote without delay the duties aimed at resolving the conflict. We believe the argument that hunger and injustice generate violence. We insist that peace cannot be attained if justice is not achieved first. True peace is based on reason. Ladies and gentlemen, this is the message of the PAN in San Cristobal de Las Casas on 25 April 1994.

[Signed] Diego Fernandez de Cevallos, candidate to the presidency of the republic. [end recording]

Costa Rica

Calderon Views Achievements in Report to Nation

PA0105224894 Panama City ACAN in Spanish 2013 GMT 1 May 94

[Text] San Jose, 1 May (ACAN-EFE)—Costa Rican President Rafael Angel Calderon today emphasized his country's high economic growth rate, low inflation rate, and reduced poverty and described the Free Trade Agreement [TLC] with Mexico as one of the greatest achievements of his foreign policy.

In a report to the country entitled "Roads of Prosperity" read during a solemn session of the Legislative Assembly, the president said: "Our economic strategy allowed us to defeat inflation and the high cost of living."

To illustrate the apparent success of his administration, Calderon cited figures such as an increase in GNP from 6.5 percent in 1992 to 7.7 percent in 1993 following a severe adjustment at the beginning of his government.

Calderon, who will turn over the presidency to Jose Maria Figueres of the Social Democratic Party next Sunday, said in this, his last report to the nation, that during his four-year term exports increased by 60 percent and reached $2.667 billion last year. He also said that the fiscal deficit, which stood at 7.5 percent when he took office, was reduced to less than 1 percent last year and inflation was reduced to 9 percent, the lowest in the past 15 years.

Calderon said that, contrary to what several sectors say about the country's alleged impoverishment, unemployment was reduced to 4 percent—one of the lowest unemployment rates on the continent—and poverty to less than 17 percent, three points less than when he assumed office. He also emphasized the growth of tourism, which is expected to become the primary source of foreign exchange this year, and housing programs, which led to the construction of 96,000 homes in four years. "The economic reform sponsored by this administration made it possible to release resources that were used in social programs. Thanks to this, Costa Rica remains an example of social and human development in Latin America," he said.

Regarding criticism for an alleged disregard of foreign policy, Calderon stressed "an active diplomacy" in favor of democracy and respect for human rights. In this connection, he recalled Costa Rica's participation in the crises in Haiti, Peru, and Guatemala. "Throughout these years, we contributed to the reaffirmation of processes for peace, democratization, and integration in Central America," he said, adding that the signing of the TLC between Costa Rica and Mexico is one of his administration's greatest achievements in the international field.

This commercial treaty, which will go into effect in January after it is ratified by the legislatures of the two countries, will permit the trade of 12,000 products. Costa Rica will be able to triple its exports to Mexico in the next two years. Such exports now reach barely $60 million, according to government and private enterprise calculations.

"Whatsoever a man soweth he shall also reap. Costa Rica has sown and is now reaping," the president said. Calderon will become part of the opposition on 8 May with one of the highest popularity levels a president has ever attained at the time of his departure from office.

During the early months of his government, Calderon implemented a severe economic adjustment program that led to higher public services rates, higher staple prices, a higher inflation rate, and low economic growth, a little over 2 percent, in 1990. In this last report, however, he said: "We are enjoying the first fruits of a time of prosperity. We turned obstacles into solutions, obstructions into channels, and setbacks into victories. But we are just at the beginning of the road."

El Salvador

Leftist Coalition Proposes 6-Point Agenda

PA2904173494 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Apr 94

[From the "Up-to-Date" newscast]

[Text] The leftist coalition has proposed to President-elect Armando Calderon Sol of ARENA [Nationalist Republican Alliance] a six-point agenda that includes the need for a broad, concerted effort that will allow ARENA to govern the country and consolidate peace.

Former left-wing presidential candidate Dr. Ruben Zamora has said the opposition is willing to work with the ruling party to seek mechanisms that will lead to complete democracy.

The deployment of the PNC [National Civilian Police], the concurrent demobilization of the National Police, and the transference of lands are points in the peace agreement that are still pending and should be resolved through a broad, national, concerted effort, Ruben Zamora has said during an interview for the "Up-to-Date" newscast. The former coalition candidate has said it is essential for the Calderon Sol administration to seek a concerted effort.

[Begin Zamora recording] We are proposing a six-point agenda through which to achieve a concerted effort. I believe we must reach an agreement on the peace agreements or, rather, on the mechanisms to implement the peace agreements. [end recording]

The politician has said other points in the agenda presented to the ARENA president-elect, are: constitutional amendments to the judicial system; electoral

reform; alternatives for environmental protection; consumer protection; and a social pact that will ensure governability.

[Begin Zamora recording] In order to succeed, the country needs a concerted effort, the most tangible proof of which is that the only way we could end the war was through a concerted effort. [end recording]

Zamora has said the parties in the coalition will develop an opposition that will seek a concerted effort based on three points.

[Begin Zamora recording] Supervision first; proposals and alternatives second; and a concerted effort fourth. This will be difficult, because these three roles are not homogeneous and can even be contradictory, but it must be done. [end recording]

The former presidential candidate has said that as of this week all the political parties will begin their postelection reorganizations. According to Zamora, power struggles will develop within ARENA as well as in the left-wing parties, although he expressed assurance it is not a matter of engaging in political cannibalism.

Legislative Assembly Opens Session

PA0105184694 Panama City ACAN in Spanish 1706 GMT 1 May 94

[Text] San Salvador, 1 May (ACAN-EFE)—El Salvador's Legislative Assembly, elected last 20 March and in which the former guerrillas are represented as the second largest political force, opened its session with a solemn ceremony today.

The first point on the agenda was the appointment of the Debate Commission—which later presided over the first plenary session—headed by Deputy Walter Rene Araujo, of the progovernment Nationalist Republican Alliance (ARENA, rightist).

Former guerrilla Commander Ana Guadalupe Martinez, of the Farabundo Marti National Liberation Front (FMLN), and labor leader Rosa Melida Villatoro, a deputy of the Christian Democratic Party (PDC), were appointed commission secretaries.

Ana Guadalupe Martinez, who with 20 other FMLN representatives form the second largest legislative force, read the roster of 84 deputies who make up the parliament.

Following this ceremony, Walter Araujo announced a one-hour recess so that the Debate Commission can receive the credentials of deputies and vote later to elect the board of directors.

Assembly President Elected

PA0205021294 Panama City ACAN in Spanish 1828 GMT 1 May 94

[Text] San Salvador, 1 May (ACAN-EFE)—Gloria Salguero Gross, a deputy for the ruling Nationalist Republican Alliance (ultra right-wing ARENA) was elected by a split vote the new president of El Salvador's Legislative Assembly today, Sunday.

Salguero received the support of 70 of the 84 deputies that make up the assembly, including seven members of the former guerrilla Farabundo Marti National Liberation Movement (FMLN). The remaining 14 FMLN deputies abstained.

The presidential election took place during installation of the Legislative Assembly ceremonies. The process was marked by chants, jeers, and shouting by FMLN militants, who were protesting because the previous legislature changed the institution's bylaws, allowing the new president to vote twice.

Assembly Approves Armed Forces Administrative Law

PA3004010994 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Apr 94

[Report by Hilda Quijano from the "Up-to-Date" newscast]

[Text] The Legislative Assembly has approved the Armed Forces Administrative Law that establishes the constitutional mandate the Armed Forces must fulfill under the country's new conditions. The legislative decree, which contains nearly 100 articles, outlines the Army's new doctrine. The Administrative Law establishes a framework from which the Army must not waver.

[Begin unidentified speaker recording] The most basic aspect of this law, although this is not new in terms of our constitutional legislation, is the clear and absolute separation of the security corps from the control of the Armed Forces, which I believe is good for the country. Another important aspect of the doctrine is that the Armed Forces will serve the people and, in turn, will become a guarantor of human rights. The Armed Forces must think of civilians not as their enemies but as the focal point of their duty. [end recording]

The Constitution mandates that the Armed Forces defend national sovereignty and territorial integrity, thereby taking away their responsibility for public security. Some deputies say this mandate has always been the same, but there were times when it was not followed.

[Begin unidentified speaker recording] The Army has always had specific functions; however, what has happened is that the Army has been used for actions that are not part of its constitutional duties. [end recording]

The Armed Forces Administrative Law creates the post of inspector general, who will be a member of the military and will check into the behavior of Army members. The inspector general is answerable to the defense minister. The decree also places all of the Army's work and administrative organization under a constitutional mandate in accordance with the peace agreements.

Coffee Growers Urge Army To Rid Santa Ana of Gangs

PA3004002094 San Salvador EL DIARIO DE HOY in Spanish 22 Apr 94 pp 2, 37

[Text] Santa Ana coffee growers and professionals are urging the Armed Forces to conduct an operation against gangs of kidnappers and thieves that operate in that region, some of which include mercenaries.

Families of the victims and farmers, who have paid large sums of money for their release, continue to receive threats and letters in which they are warned "their days are numbered." Some of those who were threatened showed EL DIARIO DE HOY a letter signed by a certain "Commander Oscar," the self-styled leader of the "New People's National Liberation Army." In the letter "Commander Oscar" announces that starting next Monday a new war will be waged against the coffee growers and landowners, who will also have to pay a war tax of 2,000 colones per month. Likewise, the criminals say they have a list of 400 persons who will be kidnapped and warn people to be prepared.

The same sources report that gangs of former rebels who use military weapons—such as M-16 and AK-47 rifles, as well as other weapons that were in vogue during the war—operate in the region. Because of this they doubt the police can do much to stop them for two reasons: First, because the PNC [National Civilian Police] does not have adequate equipment, and second, because a large part of the police is made up of former FMLN members.

They claim the gangs operate from the base of Santa Ana volcano and that some are led by foreign mercenaries, because black men and men with European traits have been spotted. A column of men was seen near Lake Coatepeque a few days ago. Former captives of these gangs say these men use olive-green camouflage uniforms and tennis shoes. Also, they communicate by radio with other gangs that operate in Cerro de Guazapa (San Salvador), Los Naranjos (Sonsonate-Santa Ana), and San Miguel volcano. They also claim the gangs have their own camps at the entrance of Santa Ana volcano, in El Milagro ranch, and in other places that are already known to the authorities.

One of those threatened sent the note from the presumed "Commander Oscar" to Defense Minister General Humberto Corado. He says he received a reply that the "peace accords" have limited the role of the Armed Forces. As to the Army's patrolling of the roads, the coffee growers say these steps are not sufficient because the soldiers will not enter the coffee plantations as they have been prohibited from doing so.

Among those kidnapped are Ricardo Planas, whose family paid 500,000 colones as ransom,; Mauricio Lopez Parker, 25,000; Carmen Martinez, 30,000; Guillermo Martinez H., 30,000; Lola Giammattei, 150,000; Ernesto Escobar Pacas, 125,000 colones, among others. "Santa Ana is an inferno, because gangs of thieves and kidnappers operate with complete impunity," they said in an alarmed manner. A few days ago some distinguished ladies were leaving the Santa Lucia Church, following a mass for Dona Alicia Valiente de Hernandez, mother of Dr. Rene Hernandez Valiente, and all were robbed of their belongings. Because of this, they are asking President Alfredo Cristiani to authorize the Army to conduct an operation to rid the zone of criminals because many of the farms have been abandoned by their owners and overseers.

When General Corado was asked about this, he said the institution is ready to obey any order issued by the commander in chief of the Armed Forces, that is, by President Cristiani.

Guatemala

De Leon Carpio Views Taxes, Charges of Dishonesty

PA2904232294 Guatemala City Teleonce Television in Spanish 1900 GMT 26 Apr 94

[Interview with President Ramiro de Leon Carpio by unidentified reporters at the Presidential Palace in Guatemala City; from the "Telepress" newscast—recorded]

[Excerpts] [Reporter] [words indistinct]

[De Leon] We are working on that. The negotiations are clear. We are highlighting not only the positive aspects of the bill, but also the aspects of what I call a corrective tax system. This is not simply a matter of laws, but of a series of administrative measures, the objectives of which I could outline as follows: the administrative reform of institutions to facilitate tax collection, the reform and modernization of the state to collect taxes efficiently, and the utilization of the required authority to effectively penalize tax evaders.

By doing this we are not only modernizing the state and finding solutions for situations—such as locating necessary resources—but also laying the groundwork for a functional tax system in this country. All sectors, Congress, and the taxpayers can see that this government is unquestionably taking corrective measures. In my presidential tours, I am allocating resources to those areas in which they need to be allocated, and I am not funneling them into the pockets of government officials. The president has demonstrated that he is not engaged in illegal activities or breaking the law to get rich.

The resources—28 percent of them—are being invested, and this is why I can rightly and with moral authority ask the various sectors to pay their taxes, because the salvation of Guatemala is everybody's duty, and because when one person cooperates, he is cooperating not with the president alone, but with the entire country. In this way, we can allocate resources to health care, education, road work, and security. I trust Congress will pass a bill that definitely will not hurt the people, because we are simply talking about a modification—about only one additional tax—and it only involves 4,000 enterprises out of the hundreds of thousands that exist, as well as 150 individuals. This tax does not affect any person or company whose income is less than 500,000 quetzals.

We are asking those enterprises effected for their concerted effort, support, and cooperation at this time. The tax on these businesses will be in effect only once. Many businesses in this group have already given their approval, because they know that resources are necessary now to make social investments. I trust we will be able to clean up the country's finances in order to face economic and social problems, considering that most institutional and political problems have been resolved. [passage omitted]

[Reporter] Mr. President, a deputy has charged that some funds have been transferred to the Presidency.

[De Leon] I thank you for the opportunity to flatly deny this deputy's assertions. We have to begin by asking who is Juan Carlos Simons, and what has he done as a deputy? [passage omitted]

The first thing I did when I became president was eliminate the Presidency's secret expenditures. In addition, a constitutional reform that is now in effect and that was passed on my initiative, constitutionally bans secret expenditures. From now on, no government organization will be able to get its hands on funds that serve to promote corruption. Regarding the deputy's charges that such expenditures exist and that funds have been transferred, this is completely false, and I demand that he support his charges with evidence. Otherwise, I will turn to proper legal measures. If there is one thing of which I am proud, it is my honesty and integrity. [passage omitted]

Discusses Challenge to Elections

PA2904143094 Guatemala City Teleonce Television in Spanish 0345 GMT 26 Apr 94

[From the "Telepress" newscast]

[Text] During a visit to Peten Department on Tuesday, President Ramiro de Leon Carpio referred to the challenge raised by Deputy Carlos Arroyave Cerna against the elections for new deputies. De Leon also spoke about the provisional constitutional protection decree issued by the Supreme Court of Justice in the face of this challenge.

[Begin de Leon recording] The political aspect has been resolved. The executive branch no longer has anything to do with the elections taking place. This is now the Supreme Electoral Tribunal's problem.

Challenges of this nature are common under a legal regime. The appropriate constitutional organizations, in this case the highest constitutional justice organization, will decide the constitutionality of the elections. The executive branch no longer has anything to do with that.

I say this because once these phases are over and we have institutional and political stability and because we have seen positive results in these areas, we have to dedicate ourselves more fervently to resolving economic and social problems. [end recording]

Views Constitutionality Court Ruling

PA3004235294 Guatemala City Teleonce Television in Spanish 0400 GMT 29 Apr 94

[From the "Telepress" newscast]

[Text] President Ramiro de Leon Carpio has commented on the ruling on the electoral process issued by the Constitutionality Court [CC] and on the implications of this ruling for the current political situation:

[Begin De Leon recording] As for the resolution issued by the honorable CC, I said from the very beginning when the amparo was filed, that I would respect the independence of the state branches. The role of the Executive Branch is over. In a state of law in a legal regime, it is absolutely normal for a person, institution, or group to adopt the corresponding legal actions should he or it disagree with an action, resolution, or law. That is how any citizen, such as this deputy, files a recourse.

At that time I said that I would respect the ruling issued by the CC, the top constitutional justice tribunal. That is just what I did. At that time I also said—and this can be confirmed today—that Guatemalans have great trust in one of the most credible institutions in Guatemala, the CC. They also trust the integrity, and above all, the juridical-political-electoral capabilities of the honorable magistrates who make up the Supreme Electoral Tribunal. Given the experience and knowledge of this organization, the population was sure that the call for elections was based on legal grounds. [end recording]

Further on Court Overturning of Election Suspension

PA3004021194 Guatemala City PRENSA LIBRE in Spanish 28 Apr 94 p 3

[Text] At yesterday's regular session, following a lengthy review, the Constitutionality Court [CC] repealed the provisional amparo filed by Deputy Carlos Humberto Arroyave Cerna against the Supreme Electoral Tribunal [TSE]. In making its decision, the CC overturned a lower court's decision to temporarily suspend TSE Decree 2-94

of 11 April, which scheduled nationwide district elections for congressional deputies on 14 August.

In reviewing the events, the CC contended that the circumstances in this case neither warranted the granting of the amparo writ nor the issuance of such a writ ex-officio, as supported in Article 28 of the law on this matter. Therefore, a repeal of the controversial resolution was in order. Both sides were immediately informed of this decision, according to CC Secretary Manuel Garcia.

In turn, the CC added, the TSE may continue preparing for the elections as originally scheduled.

Regarding an appeal filed by Deputy Arroyave Cerna, the CC confirmed it must continue to go through the relevant appeals process without posing any obstacle to the electoral process.

Defense Minister Cited on Army's New Role

PA3004234394 Mexico City NOTIMEX in Spanish 2256 GMT 29 Apr 94

[By Jose Luis Castillejos]

[Text] Guatemala City, 29 Apr (NOTIMEX)—Defense Minister General Mario Rene Enriquez said today that the Guatemalan Army is prepared to greet peace, to redefine its role in society, to become smaller, and, at a given moment, to obey the rulings of a truth commission.

The self-styled "general for peace" said that the Army "has opened the doors to pacification" in this country where an armed conflict has created hatred and violence. During a meeting with the Foreign Press Club, Enriquez reported that the 47,000-strong Army has begun to draft new objectives for itself in order to adjust to the national situation that will emerge once the armed struggle initiated 33 years ago concludes. Enriquez explained that the military reorganization process is considering disarming 17,000 members of the 400,000-strong paramilitary Civilian Self-Defense Patrols [PAC] as well as redefining the Guatemalan State defense policy.

He added: "Once a peace agreement is signed, the Armed Forces could be dedicated to defending the 3,000 archaeological sites that international bands of jewel-traffickers loot, protecting the borders, and preventing the indiscriminate felling of trees in Peten (in northern Guatemala), one of the areas considered to be a world lung.

Regarding troop reduction, Enriquez said that the Guatemalan Army is small and should be increased to 100,000. However, he said that if the peace agreements call for a reduction, the institution will obey. The general said that "quality can substitute for quantity," which means making the Army, which has been accused of violating human rights, more professional. Right now, the Guatemalan military favors Refashioning the Military [Reconversion Military], which means tasking the Army with functions that up to now have been carried out by other institutions. These functions include natural disaster assistance, the eradication of drugs, and environmental protection. Guatemala is the only country in Central America in which a war is under way, and for this reason, according to Enriquez, the Army justifiably maintains its role as defender of the state and nationality in the face of an enemy inspired by a foreign ideology.

The government and the rebel Guatemalan National Revolutionary Unity are continuing a peace negotiation process, and it is expected that by August the discussions will be centered on the guerrilla demand for the "demilitarization" of the country. This means not only the reduction of the military force but also the elimination of its influence in society.

The defense minister, one of the 11 Army generals on active duty and who has worked for the institution for 29 years, expressed his satisfaction with the way the peace negotiations with the guerrillas are progressing. He said he is pleased with the presence in the country of a UN Preliminary Mission. This mission is determining what technical and financial requirements must be met to establish an international verification program in Guatemala. Referring to the establishment of a truth commission similar to the one that operated in El Salvador, Enriquez said it would be "biased and would try to weaken the Army's morale."

The military commander said that the military institution would accept resolutions on human rights violations only if the government of President Ramiro de Leon Carpio accepts a commission of this nature. He regretted that the guerrillas "will not share responsibilities for assassinations, kidnappings, war taxes, and other illegal actions against the interests of the nation."

Enriquez said: "The president will decide whether or not such a commission is created. We do not want biased recommendations, though." Enriquez accused the guerrillas of violating the Global Human Rights Agreement signed on 29 March. According to Enriquez, the guerrillas carried out illegal actions in the combat zone of Ixcan, in the northwestern Department of Quiche, a zone known also as the "heart" of the Poor People's Guerrilla Army.

Enriquez charged that some nongovernmental organizations are still giving economic assistance to the guerrillas for the purchasing of weapons. He noted that the current Guatemalan Administration is trying to secure evidence that these organizations are helping the rebels as well as trying to prevent them from entering the country.

Honduras

Head of Joint Chiefs of Staff Views Recruitment

PA2904194194 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 29 Apr 94 p 27

[Text] Tegucigalpa—General Lazaro Avila Soleno, head of the Armed Forces Joint Chiefs of Staff, has emphatically stated: "We have always respected the established command."

The second in command within the Honduran Armed Forces has responded briefly to the reporters' questions, presuming the Army commander in chief is the one who is authorized to speak.

Nevertheless, the reporters insisted on knowing his position on the new regulation that may be established for the recruitment of military personnel.

He has said all Hondurans must be aware of their responsibilities, regardless of their area of expertise.

He added that as members of the Armed Forces and as soldiers, the military is concerned about situations that may emerge at any moment and which might require the Army's support, "but the Armed Forces will always fulfill its institutional mission," he has said.

Avila has said no conditions have been established for acceptance of the proposal on educational and voluntary military service, because Honduras' top authorities will make the decision via Congress. He has said history will judge those who make the decision.

Avila has reiterated he could not express personal opinions out of respect for the mandates of the Constitution of the Republic and the highest authorities.

Regarding a possible weakening of the Armed Forces when the new recruitment model is implemented, Avila has said he could not predict the future, but he assured that the Army is a solid, constitutional, and permanent institution that is not in any danger.

Avilo trusts the legislative branch's decision will be the most advantageous, indeed the best for the country.

He has said there may be options if voluntary recruitment fails; "for every great crisis or problem there are great solutions," he has said.

Avila has said various options have been examined in depth: "We always examine in peacetime what may happen in a crisis," he has said.

Defense Minister on Amendment on Conscription

PA2904232394 Tegucigalpa LA TRIBUNA in Spanish 29 Apr 94 p 14

[Letters by Defense Minister General Reynaldo Andino Flores to the National Congress on 27 April and "text" of proposed draft ammendment to Article 276 of the Constitution on military service]

[Text] Secretaries of the National Congress: On instructions from the president of the Republic and Armed Forces commander in chief and in compliance with Article 213 of the Constitution, I hereby send to you a draft decree and corresponding explanation of motives regarding the amendment to Article 276 of the Constitution.

[Signed] Brigadier General Reynaldo Andino Flores, defense minister.

Explanation of Motives

The proposal that has been presented is based on the need to replace conscription with enlistment for educational, social, humanitarian, and democratic purposes. This enlistment should spark and stimulate the interest of Honduran youths in developing their human potential and engaging in military training to defend the homeland.

Once the constitutional amendment is ratified and enacted, enlistment for educational purposes should be developed into a secondary law to regulate its organization and operation.

With the proposed constitutional amendment, the president of the Republic makes good a pledge made to the Honduran people that he would substantially change military service.

I have no doubts that the proposal to amend Article 276 of the Constitution, whose essential basis and justification we have presented, will be approved by the National Congress with the majority required by our Constitution.

[Signed] Brigadier General Reynaldo Andino Flores, defense minister.

This is the text of the proposed amendment.

Decree No.

Whereas the Honduran people's duty to defend and serve the homeland—a duty set forth by Article 38 of the Constitution—can be complied with through military service or any of the various civil services that citizens must render according to their merits and capabilities, as demanded by the country's fundamental needs;

Whereas Honduran society's evolution demands a revision of the criteria with which military service has traditionally been complied with, and this compliance should be regarded by the people, particularly young people, as compliance with a civic duty rather than a mere demand;

Whereas the Honduran people should be given the option for military service that would make it possible to reconcile the will to render it with the duty to serve and defend the homeland anywhere and under any circumstances demanded by the homeland, and the need to give the people this option cannot be delayed any longer; and Whereas the state must ensure the fulfillment of the constitutional duties assigned to the Armed Forces, and it is thus necessary for the Armed Forces to have a permanent number of compulsary members, according to the Constitution, it is therefore decreed: Article 1. Article 276 of the Constitution shall be amended to read as follows: "Article 276: Citizens between 18 and 30 years of age will serve in the Armed Forces on a voluntary basis in peacetime for educational, social,

humanitarian, and democratic purposes. The state, however, retains the right to exercise conscription according to the Military Service Law. In case of international war, all Hondurans capable of defending and serving the homeland are soldiers."

Article 2. For this decree to become law, it shall be ratified by the National Congress in the next regular legislature by two thirds of the total number of members and published in the gazette.

Tegucigalpa, on such and such day of 1994.

[Signed] The president and secretaries.

Armed Forces To Deactivate Four Battalions

PA2904042194 Mexico City NOTIMEX in Spanish 1928 GMT 27 Apr 94

[Text] Tegucigalpa, 27 Apr (NOTIMEX)—Military sources announced today that the Honduran Armed Forces will deactivate four battalions in June, as part of the government's military reduction program. Each of the deactivated military units has approximately 800 soldiers, according to the sources quoted by the private television "Today" newscast. The newscast did not disclose the source.

Sources close to the presidential palace said that the Honduran Armed Forces will be reduced from 24,000 to 12,000 troops, an amount similar to Nicaragua's Armed Forces. Reduction of the Honduran military will follow once the demilitarization in Nicaragua and El Salvador is completed, in accordance with these neighboring countries' peace agreements.

General Luis Alonso Discus Elvir, commander in chief of the Armed Forces, said recently that the Honduran Army will reduce operating costs by 10 percent.

Reina News Conference on Draft, Miami Meeting

PA3004175794 Tegucigalpa Voz de Honduras Network in Spanish 0315 GMT 29 Apr 94

[News conference by President Carlos Roberto Reina with unidentified reporters and Honduran citizens at the Telesistema Hondureno television studios in Tegucigalpa—live]

[Excerpts] [Reina, in progress] ... I feel like someone who has returned to his alma mater after graduation to see the friendly faces and hear the voices that helped him through every step of the struggle. I am very honored. I am a friend who has come to speak with the Honduran people.

[Reporter] Thank you very much, Mr. President. Friends, you can now ask your questions and viewers can participate by calling us at 32-6074 and 32-5514. Mr. President, it is obvious that the topic of the moment, the issue that is being discussed by all Hondurans and even internationally, because it constitutes a big step for Honduras, is the change from obligatory military service to a voluntary and educational military service. We discussed it on this program last night with great satisfaction. What does this mean to you? At first glance it looks like the beginning of the fulfillment of campaign promises.

[Reina] I am truly very pleased to have accomplished what I proposed during the campaign through a concerted effort and in a very serious, united way. We have not had any conflicts. There are, of course, some considerations that must be taken into account, although certain sectors refuse to do so. For example, what would happen if the voluntary military service fails to provide the number of Armed Forces troops required at any given time? I believe that issue has been properly addressed. Citizens have certain duties, and the state, during times of war and in accordance with the law, can find ways to draft those citizens whose duty it is to serve. But we cannot do it the way we used to recruit people. We all agreed on that point. No one agreed with our previous recruitment system because it had two defects: first, it was very rigid; and second, only the poor were drafted while the sons of the wealthy evaded the draft. That could not be viewed as justice anywhere in the world. That is why this step has been received with great satisfaction, and, of course, I am very proud.

I congratulate the Armed Forces, the Honduran people, and the young people whose wishes I have fulfilled with this decision that began as a campaign promise and is today a reality in the National Congress.

[Reporter] Why use adjectives such as social and humanism, Mr. President?

[Reina] To be absolutely frank, those adjectives were suggested by distinguished officers as a means of complementing and enriching the document. The word social is used because the trend is to help the majority; and the word humanism is used because humanism is the prevalent doctrine at the end of this century. For instance, when we talk about fighting drugs and corruption and of making our measures humane, that constitutes humanism and meshes perfectly with the idea that our men, respecting our dignity, will defend their fatherland without the harshness that once marked recruitment. This position is humanistic, social, and educational because it will enable each recruit to improve his cultural heritage and because it is voluntary.

[Reporter] What do you mean, Mr. President, when you say that military service will also be democratic?

[Reina] I mean that democracy is not simply a matter of going to the polls. It is not a formality. It is a philosophy to live by. Every decision must be made with the objective of shaping a democratic man. A democratic man does not take advantage of anyone; he does not offend or violate rights. A democratic man accepts opposing decisions by those involved in a dialogue. He

would never take arbitrary actions. Democracy as a way of life is perhaps the most important meaning of this work.

[Reporter] Mr. President, today we heard different reactions to your decision from various, obviously important sectors. The most important reaction probably came from Defense Minister General Andino Flores. He virtually said that the Armed Forces had accepted the decision of their commander in chief, who is the president of the Republic. He implied very clearly, however, that the Armed Forces high command had not fully accepted the decision. He said that they acknowledge that the commander in chief, who is the president of the Republic, has the final world, but that they disagreed with the decision nevertheless.

[Reina] I believe his terminology is causing some confusion. The Armed Forces said: We will accept the decision. We are nondeliberative. We are obedient, and this is the final decision. The defense minister himself will present the draft and explain the reasons for it. Gen. Andino Flores tried to explain—this is my interpretation—that the high command does not exactly share my views on voluntary service because obligatory service allowed the Army to have the number of troops the country would need at any given time. I wanted to stay between these two extremes. The Armed Forces say: We disagree but we obey. I do not see any contradiction. This confirms that the idea of a voluntary military service comes not from them but from the president of the Republic.

[Reporter] Mr. President, can you tell the Honduran people that an agreement on this issue has been reached with the Armed Forces High Command?

[Reina] Discussions were very open, very cordial. There were positions that from the beginning did not agree, but in the final draft we began to find this point of consensus. I believe this has been one of the quickest moves toward consensus. It is a truly historic act—really momentous. It is a change, and changes of course deserve to be discussed. The parties should accept the resolution made by consensus.

[Reporter] It was indeed an historic event. As you said tonight, there was a consensus. Today there was a meeting between a ranking officer and the National Party. What was the meaning of that meeting? Do you think it was necessary?

[Reina] I think it was a political act. The issue is now at the National Assembly, the political forum par excellence where every option will be discussed. Some will insist that the draft must be obligatory. I have heard someone say that this contradicts citizens' rights. Nevertheless, I think the most important thing is to please the majority, which will be very satisfied with this great step forward. No more will we see young men virtually lassoed and forcefully drafted. I have always insisted on this. A heroic figure showed us how to win battles. Battles are won only by men who voluntarily defend their rights.

[Reporter] Very interesting, Mr. President. You speak of winning battles. Let us talk about the country's economic situation. You spoke of giving the economy a human face, but the prices of many basic basket products have been raised. That is what the people resent most, particularly considering that you have been in office less than 100 days. What do you think about this?

[Reina] Those price increases do not depend on the government. There is a mistake regarding the human face reference. At the Jose Cecilio del Valle building today we explained the nature of the Honduran Social Investment Fund [FHIS], which will reach every corner of the country, not as a social compensation, as it has been described, but as projects for a majority of the people. The idea is not to give things away to people but to help them intelligently and spontaneously develop their own communities. Now we will talk about boards of trustees, which have never really worked very well. The community and the government should participate in projects to benefit the people. Through a broad plan, FHIS will provide the human face we want for the government measures. We intend to reach all communities. If someone protests because beets or carrots are more expensive, he should remember that these prices do not depend on the government. The government could freeze prices, but that would be a risky move because there could be negative effects. The Honduran economy will improve when we produce more. We are laying the groundwork for higher production and for the people's health through food so basic grains are not absent from Hondurans' tables next year.

[Reporter] Mr. President, your remarks about production are for the intermediate and long term. What about a short-term solution for the basic product price raises?

[Reina] We could even freeze prices. I have selected an economic cabinet made up of the most capable Hondurans. We have no commitments to anyone. There are several important projects such as the Trujillo Bay and the cold storages, but we have no obligations. We are approaching these projects with free hands. A decision will be made about what is best for the nation. Prices remain as they are because we are in a very difficult situation.

[Reina] The economic situation I inherited, as well as the nation's overall situation, has been truly dramatic. We will not be looking to the past. We want to look toward the future. When there is talk that we have not yet taken off, I want to say that the government has implemented a number of measures, including the historic measure on volunteer military service. Nevertheless, what we have not been able to do away with is the corruption that prevails in this country. We are committed to doing this. We will eliminate and overcome corruption.

[Reporter] Peasant organizations that want to become productive are concerned about the fact that there has been an announcement saying credits are now available, but so far, these credits have not been issued to enable the peasants to work their fields. We also have reported that 10-15 days a [words indistinct] to the president of the Republic and the government for those credits to be released under very favorable conditions.

[Reina] We are committed to this, and we believe we will fulfill this promise. I met with the peasant associations. They requested that land titles be granted in a more expeditious manner. We have issued pertinent orders for land titles to be delivered as quickly as possible. A large number of peasants will be issued documents that will given them full protection of their property. This is one of my campaign promises—namely, legal security for all Hondurans. [passage omitted]

[Reporter] Mr. President, on the issue of corruption, we have heard of corruption charges against high-ranking members of your government—for example, in the transportation administration, the transportation ministry—that is, SECOPT [Secretariat of Communications, Public Works, and Transportation]—as well as in INJUPEM [Teachers Retirement and Pension Institute] and PANI [National Children's Board]. It appears that these accusations have enough credence to at least look for people who are responsible. Do you believe such people should be brought to trial?

[Reina] If they are not put on trial, we will have achieved nothing. The judicial branch was created to prosecute all criminal activities and to punish the guilty. On 10 May, I will hold a general meeting to analyze the way in which we have been advancing and uncovering illicit actions. The Commission to Prevent and Fight Corruption [Commission de Prevencion y Combate a la Corrupcion] will announce the specific cases—of which there are many. [passage omitted]

[Reporter] Humberto Garcia asks if one of the attractions of voluntary educational service is that a person will receive the minimum wage when he enters military service?

[Reina] This has been one of the arguments used by men in uniform that has some validity; however, I have spoken to businessmen, economists, and labor experts, and this need not be the exact case. A minimum-wage increase would not solve the problem. The country will go bankrupt if we give a soldier who now earns 50 lempiras the minimum wage.

We are going to try to improve conditions so that the people's cultural level can start to improve through education. The country will benefit from this improvement and the professionalism that it will bring to the Armed Forces. There is something very interesting. The Air Force and Navy do not have compulsory recruitment. The young people even wait in line to enter those services. Thus, we have taken measures to make the other services attractive too.

[Reporter] You mentioned wages and improving the situation, Mr. President. Does this mean the Armed Forces budget will be increased?

[Reina] It could come to that. However, what has been ordered for the time being is a reduction in the size of the government. The Armed Forces accepted this with great dignity, and it promptly cut 10 percent from its budget.

[Reporter] What changes will this important event, which requires a constitutional reform and also concerns the Armed Forces, demand in the relations between the Armed Forces and civilian society?

[Reina] It demands the total unification of Hondurans. It requires that everyone, civilians, religious people, laymen, atheists, and military personnel unite. It requires that everyone who lives in this country feel that, at the end of this century, the country has established a climate of security, peace, development, and harmony. We have to unify the Honduran nation. The Cold War—we talked about the Cold War during our campaign—divided and harmed us a great deal. I hope we will never return to such a situation.

[Reporter] On the issue of corruption, Mr. President. Based on the charges made by the current government and the U.S. Senate pronouncements on corruption in Honduras, what is your opinion of the government organizations that are in charge of controlling this problem?

[Reina] They have to be assessed. We will now have a prosecutor general who is going to be the nerve center of the entire, let us call it, government probity system. This, together with the general state modernization concept, is part of the new term. The modernization of the state will allow us to make a thorough assessment of the kind of government we have had. I said to you during my campaign: We want a state as close to normal as possible. The three elements of the state are territory, population, and government. Our territory has not been defined. We still have to define its coastal area. The population did not identify with the country, and the governments were not elected. Thus, we were a state that was far from being perfect. Today, we are starting to improve the government. We are going to evaluate all the electoral issues. We are going to review the way people are registered. We have advanced in this respect because now we all feel we need to improve the government's mechanisms.

[Reporter] The Honduran people are plagued by high electricity rates and an energy crisis. When will Hondurans stop seeing their bills grow by the month? When will they see an end to electricity cuts?

[Reina] The crisis involves more than just the rates because if we continue to have blackouts, the country could go completely bankrupt. That is the problem we are trying to solve first. Yesterday I received a very attentive, fraternal, and timely call from the Mexican president. He will give us....[pauses] He said this because on Sunday, engineers will leave Honduras to check the

units he will give us. Each one has a 30-megawatt capacity. Those 60 megawatts will ease the situation considerably. This, along with an electricity interconnection with Panama and a possible interconnection with Costa Rica and Nicaragua, will help us overcome the crisis.

The truth is that there are many shortcomings. First, all those who have robbed the ENEE [National Enterprise for Electric Power] [words indistinct] robbing water or energy. Second, rates have not been at the level the enterprise should have set. To give you an example, it is not right that someone who owns a hut in a shantytown pays the same rate as someone who lives in a luxury residential area.

Part of the solution could lie in that difference in the possibility to contribute energy for everyone. [sentence as heard] I think we will work toward ensuring that the ENEE overcomes its crisis once and for all. Surprisingly, 190 million lempiras is owed to the ENEE.

[Reporter] We have a list of many companies, including multinationals, that owe the ENEE. We do not understand why this was allowed to happen. We learned, through complaints made through the media, that people protest when electricity is cut when they owe 70 or 90 lempiras.

[Reina] That is one of the irregularities. Callejas told me once: The situation at ENEE needs to be reviewed because it is the most poorly managed company in this country. I think there have been all sorts of problems there. There are people who act dishonestly by stealing energy but they are actually stealing from the people. We must stop this. This type of corruption must be eliminated not partially but at the very root.

[Reporter] Mr. President, what responsibility do the engineers, boards of directors, and ENEE management during the previous administration bear for this new rationing?

[Reina] That is where the commissions that were appointed to uncover corruption, tax evasion, embezzlement, and inefficiency come in.

[Reporter] [Words indistinct].

[Reina] They could be held responsible if the negligence was very serious and punishable.

[Reporter] What will your government do to collect the huge debt that companies and private citizens owe the ENEE?

[Reina] As I told you during my campaign: Enforce the law. The law is not enforced here.

[Reporter] When will you begin to enforce the [words indistinct]?

[Reina] I think that it is already being enforced and there are already (?fugitives). Efforts are already under way to obtain pardons for these poor people. They say that the people should only be made to pay their debts. The issue here is not whether the person should pay, because anyone who commits a crime must pay for it. That is what people will find the most exciting and what will convince them of the new style of government that I have spoken about.

[Reporter] Will you tell us about that in your next message?

[Reina] My next message will be full of information.

[Reporter] Mr. President, more specifically, will electricity rates be raised?

[Reina] The decision belongs to the commission. We declared the emergency. We found the most capable people to handle the problem. It is up to them.

[Reporter] International credit organizations have suggested that your government raise tolls and eliminate transportation subsidies.

[Reina] [Words indistinct] I have always believed that tolls on alternate routes are a burdensome tax. Every driver has two alternatives: use a paved street or a gravel one. Either way, your vehicle is subject to a toll. That is how it is everywhere. Curiously, Hondurans will gladly pay tolls everywhere else and consider it normal, but they resist paying the tax at home. There are some exceptions, such as the distinguished city of San Pedro Sula, where everyone pays tolls willingly. I think that is why we should implement the measure gradually in the rest of the country.

The problem is how to balance our budget and correct the deficit, how to overcome our concerns. Everyone trembles when representatives of international banks come to the country to collect, and we have a knife at our throats. One possible solution would be to privatize Hondutel [Honduran Telecommunications Enterprise]. Such transactions, if they are not handled carefully, could turn out to be just another tragedy for the country. I will discuss all of these subjects later, such as the plans for an oil refinery in Puerto Castilla and a cold-storage enterprise. All of these plans, considered by an impartial arbiter such as the government, can give the country incentive and improve its image. We have received assistance from Mexico and Costa Rica because they have seen our country's democratic process and the strengthening of our institutions.

[Reporter] Who authorized the refinery planned for Puerto Castilla?

[Reina] It has not been authorized.

[Reporter] No, it hasn't. Who made the deal?

[Reina] The previous government.

[Reporter] What is being done?

[Reina] A commission has been appointed to check everything and to consult ecologists and businessmen so the best possible decision will be made for the Honduran people. Just like that. Great things are simple. Hidden things are a cancer, as I have mentioned several times.

[Reporter] Who will decide which firm will conduct the environmental study and determine the pro's and con's of installing a refinery in Puerto Castilla?

[Reina] We have to find the most capable firm.

[Reporter] Who will make the decision?

[Reina] The government. We have a very radical environment minister, and we have those with interests in the refinery who keep extolling its virtues. Both positions must be considered and a decision made.

[Reporter] Personally speaking, do you have reservations about the refinery?

[Reina] I think the ecologists might be right. If so, we would have to look for another location for the refinery. I am not sure about this because I am no expert. Many good things are mentioned in connection with this refinery, but no one would dare propose to make a deal with me for these things. I do not think anyone would dare make such a proposal during my term.

[Reporter] What you say is very important.

[Reina] Very important.

[Reporter] Are you planning to privatize Hondutel?

[Reina] We will open the debate. We will privatize it if necessary; otherwise, things will remain as they are. [passage omitted]

[Reporter] What about your invitation from the U.S. President to attend the summit meeting in Miami in December?

[Reina] It is a dignified invitation from the President of the United States.

There are two big events coming up: one in Cartagena among the Latin American [as heard] heads of state, and the other in early December in Miami. We have been invited to the latter by President Clinton.

I think these two events must become complementary. [Words indistinct] with President Gaviria and with President Figueres to begin establishing agendas for the two summits. Otherwise they could be repetitious. The two agendas could be topical. One could focus on the inter-American system, human rights, and drug trafficking, while the other could emphasize social development, national identity, and all forms of corruption that impede the development of democracy. That way we would make these two big summits complementary. They are important because they will be held at a time when the world is very much in favor of everything that contributes to unity.

[Reporter] I wonder how this attitude can help Honduras? How could [words indistinct] benefit Honduras?

[Reina] In the first place, the country that isolates itself is a country that fails and gets trapped in its own problems. Honduras has been one of the most isolated countries in the region. Hondurans have not been good negotiators. We have to change this attitude. I am surprised that within such a short period—I only have three months in government, for example—relations with Costa Rica are excellent. Costa Rica is not very inclined to integrate with Central America and has instead tried to join South America and even Europe. Now, with President Figueres we have very similar positions. [passage omitted]

[Reporter] Why haven't subsidies been taken away from the transportation sector and given to farmers to produce more food?

[Reina] If subsidies are taken away from bus owners, they will increase fares, and we will see buses being set on fire in the streets. It is not so easy to govern. Regarding food, the natural resources minister has drafted a plan that I hope will work. There will be enough basic grains for this year.

[Reporter] What do you think about the warnings that some assembly companies are thinking about leaving the country because of problems with electricity rationing and the creation of labor unions?

[Reina] Those companies could resolve the energy problem by [words indistinct]. I am sure their business can afford this and still profit.

Regarding the labor union problem, these laws cannot be modified by any particular person. Laws cannot be superseded by contracts or agreements. Laws represent the interest of the state and are not negotiable on orders from anyone.

If assembly companies want to take advantage of our low-wage labor force and our geopolitical location close to the great U.S. market—because they know that it is profitable—they must also help us improve the kind of assembly being done here by transferring technology through industrial contracts. I think this will come. It is just a matter of being patient. [passage omitted]

[Reporter] What about commercial and diplomatic relations with Cuba?

[Reina] I think this is one of the delicate issues that must be discussed at the summit meetings: the Cartagena one, in which Spain and Portugal will participate since it is the Ibero-American Summit; and the Miami meeting, which President Clinton has convoked.

I think the system must find a democratic way out. An abnormal situation must not continue indefinitely. I do believe that whoever replaces President Fidel Castro must live in Cuba and be a charismatic leader inside Cuba. We must seek a democratic and peaceful transition.

[Reporter] You would not establish formal relations with Cuba under Fidel Castro?

[Reina] I will abide by whatever the inter-American system decides on this. [passage omitted]

Presidential Adviser Views Economic Measures

PA2904013594 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 26 Apr 94

[Interview with Mario Reina, economic and legal adviser at the Honduran Presidency, by Lourdes Bonilla; place and date not given; from the "The Morning Paper" newscast—recorded]

[Text] [Bonilla] President Roberto Reina's strong man, Civil Engineer Mario Reina Idiaquez, has made exclusive statements to HRN on the economic measures adopted by the liberal administration led by his brother, before his first 100 days in office are completed.

[Reina] I believe that we have been working hard, both in the cabinet and in all institutions.

[Bonilla] Eng. Mario Reina, economic and legal adviser to President Reina's government, says that the executive machinery has already taken off even though many disagree.

[Reina] I say yes; I cannot understand how anyone can say that it has not taken off. There are many things to deal with and the various commissions at various levels are doing just that.

[Bonilla] There is strong criticism of the liberal government's economic cabinet headed by Juan Ferrera at the Finance and Public Credit Ministry, Delmer Urbizo Panting at the Economy and Commerce Ministry, and Hugo Noe Pino at the Central Bank of Honduras, and appointed [as heard] by Eng. Mario Reina. You claim, however, that the economic cabinet is the one that works the hardest.

[Reina] I believe that the economic cabinet works the hardest. As you know we were left in a desperate situation, with a large deficit. All previous programs are under review and this has been the economic cabinet's main task up to now.

[Bonilla] People say that these officials do not fulfill their job requirements?

[Reina] I do not think so. What has happened, as in the case of Juan errera, is that everyone is trying to determine how to stretch funds to pay all the pending debts. This poses a serious problem for him. In fact, because he is a serious person he is trying to do things right.

[Bonilla] What about restructuring the economic cabinet?

[Reina] Perfection is very difficult, of course, but I do not believe there is reason for a change, and it is working hard.

[Bonilla] What about deregulating fuel prices?

[Reina] Prices are deregulated so that they reach their market price. If international prices go up then prices in Honduras have to go up as well, otherwise fuel suppliers would have serious problems. This is what has been deregulated, and now some suppliers want the government to regulate prices. This is absurd because they were the first ones to ask that they be allowed to set their own profit levels.

[Bonilla] What about the hunger strike declared by members of the Civic-Popular Committee to protest the draft?

[Reina] A commission of jurists is making an in-depth study of this case, which is very delicate because it means a change to the Constitution, a constitutional reform. This strike is also in support of the government and the president, because I imagine they want to raise the awareness of the deputies for this change. I believe that this draft bill will be presented to Congress by Tuesday. From what the president has discussed up to now with the deputies and other branches of government, I believe that they are all aware that the Constitution should be reformed.

[Bonilla] Does Congress President Carlos Flores agree?

[Reina] Up to now he has also agreed.

[Bonilla] As economic adviser to the liberal administration you are considered by fellow party members, friends, and relatives as the boss of the Reina Idiaquez clan. You retired from private banking to work full time as adviser to the government of your brother, Carlos Roberto Reina. I understand that once in a while you slap him on the wrist if he fails to coordinate something in the best interests of the Honduran people. Is this true?

[Reina] No, I have never had a need to admonish him. We have always worked in agreement. My work with my brother has generally been in an advisory role.

[Bonilla] Are you retiring from private banking to give full time advice to your brother?

[Reina] No, no. I am already retired, therefore I have the time to be at my brother's side, such as I am doing now.

Nicaragua

Cabinet Discusses Crime, Economy

PA2904232194 Managua Radio Nicaragua Network in Spanish 1200 GMT 28 Apr 94

[From the "This Morning" newscast]

[Text] The pacification process in northern Nicaragua, including a plan against criminal gangs—the recently implemented Operation Triangle—which led to the seizure of a large cocaine shipment, the relations between the Executive and Legislative Branches, and the

economy were among the issues discussed at a cabinet meeting headed by President Violeta Chamorro and Presidency Minister Antonio Lacayo.

The most salient issue discussed by the ministers during their four-and-a- half-hour meeting was the end of the rearmed saga on 15 April with the demobilization of the 3-80 Northern Front [FN 3- 80]. In this regard, Government Minister Alfredo Mendieta commented on the details of the disarmament plan and the reintegration into civilian life of the former FN 3-80 combatants. Minister Mendieta also reported on the recently implemented Operation Triangle.

As for a plan against criminal gangs operating in northern and central Nicaragua, the ministers were not only briefed on actions by the National Police and the Sandinist People's Army, but on the determination of the Chamorro administration to complement them with legal actions.

In regard to the relations between the Executive and Legislative Branches, the ministers engaged in ample discussion on an agreement signed between the two on 12 March in which they recognize that the two branches must reach a consensus on the various laws that affect national life.

They also had a broad discussion on an agreement reached between government authorities and the top military leadership on the Code of Military Organization, Jurisdiction, and Social Security.

As for the economy, President Chamorro and Minister Lacayo instructed the ministers to switch their focus from macroeconomic to microeconomic aspects to uncover bureaucratic red tape and make official procedures easier for the population, especially those related to basic services such as health, energy, electricity, and customs.

Panama

Electoral Tribunal Issues Election Day Regulations

PA3004183894 Panama City LA PRENSA in Spanish 30 Apr 94 p 8A

[Electoral Tribunal Communique lists regulations to be observed for the 8 May elections in Panama City on 26 April]

[Text] 1. Government and private sector employees can leave their jobs on election day without salary deductions for as long as is required to cast their vote. (Article 219 of the Electoral Code).

2. Bars, liquor stores, nightclubs, dance halls, and other places where alcoholic drinks are sold shall remain closed from noon on Saturday preceding the elections to noon on the day following the elections. The sale, giving away, transfer, use, and consumption of alcoholic drinks is forbidden for the same period. This prohibition includes wine, beer, and other fermented beverages. (Article 222 of the Electoral Code).

3. No firearms of any type or similar objects can be carried on election day, even if the person involved has a permit. Exceptions are Public Force members and persons specifically authorized by the Electoral Tribunal. On election day, security agents of private companies can bear firearms at their work sites only. (Article 223 of the Electoral Code and Decree 35 of 25 April 1994).

4. During voting hours on 8 May, no voters can be arrested, detained, or made to appear before public officials or authorities for civil, community, or police reasons without first being allowed to cast their vote. (Article 225 of the Electoral Code).

5. Public demonstrations and political campaigning over loudspeakers and the media shall not be allowed from midnight on the Friday previous to election day until noon on the day following the elections. (Article 226 of the Electoral Code). In addition, no political leaflets of any kind may be distributed during the same period.

6. Political party representatives and all citizens, with the exception of presidents, secretaries, members, and alternates of voting sites and vote counting boards, may wear badges and clothing to identify themselves with the parties and candidates of their choice (Article 227 of the Electoral Code) and may carry party banners in their vehicles.

7. No results on opinion polls taken on the election day can be released before 1830 on 8 May 1994 (Article 2, Decree 27 of 12 April 1994).

8. Governors, mayors, and police magistrates shall refrain from intervening in electoral matters in any way except to obey instructions issued by electoral officials. When governors, mayors, and police magistrates appear before any electoral organization, they shall do it as common citizens. (Article 2, Decree 34 of 25 April 1994).

[Issued] Panama City, 26 April 1994

[Signed] Eduardo Valdes Escoffery, president
Dennis Allen Frias, vice president
Guillermo Marquez Amado, member

PDC Candidate on Effort To Create Civilist Alliance

PA3004235394 Panama City Circuito RPC Television in Spanish 1730 GMT 30 Apr 94

[From the "Day to Day" newscast]

[Text] Given that the Change '94 Alliance [of presidential candidate Ruben Dario Carles] and presidential candidate Mireya Moscoso de Gruber, of the Arnulfist Party, failed to reach an agreement, the Christian Democratic Party [PDC]

has announced in Chiriqui Province that it will not support either ticket in the 8 May elections.

PDC presidential candidate Engineer Eduardo Vallarino pointed out that his political party had firm plans to renounce his candidacy, however, a lack of understanding prevented it. The candidate made this statement during a political campaign event in western Panama:

[Begin Vallarino recording] This morning, we greeted and exchanged views with members of the Arnulfist Party here in Chiriqui. The talks that failed, however, were the ones we held at my residence in the past few days. First, we invited the Arnulfist alliance and then Carles' alliance to try to reconcile, to unite them. Our position was that, if we managed to get them to reach an agreement to establish a great civilist alliance, we would support that civilist alliance. This was not possible because neither candidate was willing to yield to the other. In view of this, we simply had to put an end to our efforts.

I repeat, in order to achieve this, we said we would be willing to renounce our candidacy at a very high political cost to our party. The unwillingness of the two candidates to renounce their candidacies created a mathematical impossibility: there can be no great alliance with two leaders. This frustrated the talks. [end recording]

Blades Reportedly Maintains Ties With Fidel Castro

PA0105004494 Panama City EL SIGLO in Spanish 30 Apr 94 p 2

[Unattributed article: "Blades Is Considered a 'Leftist' in California—Political Proclivity"]

[Text] Contacts were established with Cubans, Puerto Ricans, and other Latin Americans in Los Angeles, New York, and Miami, and the information they yielded follows: Subject: Ruben A. Blades, (U.S.) Social Security number 077-60-5720; DOB [Date of Birth] 7-16-48; criminal record, being researched. The subject does not have a California driver's license. His identification card contains the following information: DOB 7-16-48; height 5 feet, 10 in., weight 165 pounds; eyes gray; hair brown; expiration date 7-16-98, ID Card: C7023191.

On 26 April 1994, contact was established with the newspaper LA PRENSA in Los Angeles. Informants pointed out this paper publishes no articles written by Blades because of his strong leftist proclivity. On that same day, contact was made with executives of the newspaper LA VOZ LIBRE, which is edited by Cubans. They provided the following information:
a) They publish no information about Blades because he is fond of intimacy [intimidad] and maintains ties with the communists.
b) Blades has headed drives to collect funds for Cuba.
c) He maintains close ties with Fidel Castro.
d) Blades has a reputation for engaging in dirty politics.

On that same day, contact was established with the Cuban newspaper 20 DE MAYO. Reliable sources provided the following information about Blades:
a) His mother was a Cuban artist.
b) He maintains strong ties with the communists.
c) In the 1980's, he traveled to Cuba on numerous occasions.
d) He has given concerts in Cuba on numerous occasions at the request of Fidel Castro.
e) He has defended Cuba in numerous speeches and has never denounced Fidel Castro.

Civilist Group Endorses Candidate Carles

PA0105015294 Panama City EL SIGLO in Spanish 30 Apr 94 p 2

[From the "Forum" column]

[Text] Following a careful and thorough analysis of government plans, the resources and the methodology to carry them out, each of the presidential candidates, and the parties that have nominated them, the Pro-Fatherland Civilist Network [Red Civilista Pro Patria] decided, on Thursday, 28 April, to support the candidacies of and to recommend that all Civilists vote for Professor Ruben Dario Carles as president, Guillermo Quijano as first vice president, and Tomas Herrera as second vice president.

Without any alliance commitments to the dictatorial regime and full of patriotic desire to reconstruct our country following the economic, social, institutional, and ethical traumas it has endured, the members of the Pro-Fatherland Civilist Network emerge in the current political picture as a new, young, encouraging force worthy of credit after traveling a long road among negative factors that are so contagious. The members of the group have not demonstrated any tendency to fall into the traps set by corruption to catch those who do not have sufficient moral values to avoid any threat of contamination due to vocation, fear, or bribery.

The recognition that the Pro-Fatherland Civilist Network gives Professor Carles and his running mates is a valuable decoration, like those given by the people to those who deserve it. It is not the result of an intense propaganda campaign, but a logical result of an entire productive and honest life.

It is not a matter of political alliances, it is a vibrant invitation for Panamanian people to listen before making the correct decision at a time when so many people have their doubts. They will now be able to clearly see the road leading to a better Panama, alongside the Change '94 candidates, headed by Prof. Ruben Dario Carles.

Argentina

Cavallo: U.S. Creates 'Adverse Political Atmosphere'

PY2904125294 Madrid EFE in Spanish 1847 GMT 28 Apr 94

[Text] Buenos Aires, 28 Apr (EFE)—Argentine Economy Minister Domingo Cavallo today charged the U.S. Government with creating "an adverse political atmosphere" by announcing the implementation of economic sanctions if Buenos Aires does not approve a patents law on pharmaceuticals, including the payment of royalties to foreign laboratories.

Presidential Media Secretary Raul Burzaco told journalists that despite U.S. pressure, Cavallo, who now is in Washington, informed Argentine President Carlos Menem that Argentina "remains in the race to enter NAFTA."

Burzaco indicated that the cabinet and the president reviewed the situation raised by the government of U.S. President Bill Clinton after Menem said on 27 April that "Argentina will not cease to function" if Washington implements sanctions against his country.

Cavallo told U.S. Trade Representative Mickey Kantor that Washington's pressure "will make more difficult the approval of a patents law on pharmaceuticals" in Argentina, a law that Congress has been studying for two years.

Argentine laboratories, which have a 56-percent share of the local pharmaceuticals market with yearly sales totaling $3 billion, challenge the payment of royalties, involving annual payments of $500 million to foreign laboratories, mostly U.S. laboratories.

Di Tella Tries To Diminish U.S. Sanctions Threat

PY2904232994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1712 GMT 29 Apr 94

[Special report for NOTICIAS ARGENTINAS by Jose Maria Monzon]

[Text] Buenos Aires, 29 Aug (NA)—Foreign Minister Guido Di Tella moved stealthily through the corridors of the congressional building on 28 April to calm down Justicialist Party [PJ] senators over what immediate consequences the U.S. threat to commercially blacklist Argentina, and the latter's failure to approve the pharmaceutical patents law, may have.

The Argentine foreign minister reportedly explained in general terms the concrete meaning of the sanctions that Washington is threatening to levy, although he must have also dispensed a few sarcastic remarks about the senators' lack of political acumen in the handling of this issue, which plays a key role in the relations between the two countries.

This was the minister's reaction to the legislative maze, where the bill on patents got lost after the national executive branch sent it to the Senate in May 1993. The truth is that the bill became the target of a tug-of-war between the ruling party and the opposition, until it was finally left in the hands of a complex system of committees, three of them controlled by the opposition Radical Civic Union and the other two by the JP.

This allowed the opposition not only more elbow room, but also left it in control of the issue to deal with all the interested parties. In fact, the person who knows most about the subject in the Senate is the speaker for the opposition: Jose Genoud, senator for Mendoza Province.

Genoud favors a new patents law that will recognize the right of every inventor to produce and market his medicines, but unlike the administration he wants the law to set restrictions to prevent monopolies, and also believes that the law should give Argentine pharmaceutical laboratories a reasonable period of time to adjust.

The slumber of the ruling party was shattered earlier this week when reports from Washington indicated that U.S. Trade Representative Mickey Kantor had officially notified Minister Domingo Cavallo that at the end of April Argentina will join the black list of countries that have not approved a pharmaceutical patents law, as large U.S. pharmaceutical industries want them to do.

The inclusion of our country on that list make us vulnerable to commercial sanctions, which does not mean they will be imposed immediately.

Kantor does not have the authority to determine the type of sanctions that will be imposed, or the moment for their implementation. His job is to point out which countries are, in his opinion, violating commercial commitments with the United States.

In order to understand the situation it is necessary to go back to 1991, when George Bush was still president and his representative was the inflexible Carla Hills. At that time Domingo Cavallo thought it was a good idea to use the issue of patents in negotiations. He promised to speed up the approval of the patents law, which was being pushed by U.S. laboratories, in exchange for more flexibility on the issue of the debt.

But the initiative could not prosper in Congress. The U.S. Embassy and Government then started pressuring the Menem administration to take up the issue with Justicialist legislators. However, executive branch recommendations have so far not fared well, and President Menem says only that the executive branch has sent the bill to Congress, and the issue is in the hands of legislators.

The government understands that even though the country is included on the black list, sanctions will not be imposed for at least a year. This period is enough for Congress to approve the GATT agreement, which would give Argentina the possibility of resorting to GATT's more flexible and benign requirements in the area of patents. If this is the case, the United States will find it harder to apply sanctions.

Clinton Sends Invitation to Cordoba Governor

PY2904215794 Buenos Aires CLARIN in Spanish 29 Apr 94 p 12

[Text] Cordoba—Governor Eduardo Angeloz has been invited to meet with U.S. President Bill Clinton during the course of this year, on a date that has yet to be determined. The U.S. President sent him the invitation with Howard Glicken, who arrived in Cordoba on 26 April aboard a private plane to meet with Angeloz.

Glicken, a U.S. Democratic Party leader, played a major role in the organization of Clinton's presidential election campaign. The invitation was extended by the U.S. politician during a luncheon Angeloz gave at his home of Las Tejas. After this meeting, Glicken returned to Buenos Aires City aboard his plane.

The presence of the U.S. visitor was much discussed in the corridors of power in Cordoba. The invitation was interpreted as stemming from Angeloz's position as the possible Radical Civic Union presidential candidate for the 1995 elections, and also as an acknowledgement of his leadership within his province.

Menem Warns Against Rebirth of Old Conflicts

PY2904215694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1438 GMT 29 Apr 94

[Text] Buenos Aires, 29 Apr (NA)—Argentine President Carlos Menem today stated that the "same kind of people General (Juan Domingo) Peron expelled from Plaza de Mayo" in the seventies are waging a campaign against the Armed Forces.

The president added that "the very same group of young people who advocate Marxism and had nothing to say when vandals attacked La Tablada Regiment" are waging the campaign to besmirch the Armed Forces.

Menem met the crew of the Granville corvette that had participated in the Haiti embargo at the request of the United Nations. The ceremony took place this morning at the northern docks of the port of Buenos Aires. Defense Minister Oscar Camilion and high-ranking military officers also attended the ceremony.

In his speech to welcome the sailors, Menem accused those who are signing proclamations and staging demonstrations to demand an investigation into the death of Private Omar Carrasco of "trying to resuscitate the conflict between the Armed Forces and the people."

He thus criticized "those who take advantage of the unfortunate death of one soldier to pit sectors of Argentine society against one another." The president added that "these are the very same people who did not criticize the attack on La Tablada Regiment."

Speaking to Radio Municipal earlier, the president warned that certain youngsters, "incensed by fashionable ideologists, play the role of useful idiots" in an effort to "make certain ideas prevail through the use of violence."

He compared these groups to those "once expelled by General (Juan Domingo) Peron from Plaza de Mayo, although they bore different names and belonged to a different generation." Menem was referring to the Montoneros, who were forced to go underground after the Plaza de Mayo event.

At the welcoming ceremony for the Granville corvette, Menem said: "We are sorry for what happened to the soldier in Zapala, and are making an effort to find those responsible" for the murder of Private Omar Carrasco.

"The very same people who now exude hatred had nothing to say about the soldiers who were shot down during the attack" on La Tablada Regiment, on 23 January 1990, "although they, too, had fathers and mothers," the president said.

Without calling them by name, Menem also lashed out at those in the south who are "staging demonstrations and signing proclamations which, based on crude lies, advocate hatred rather than peace."

Menem stated that the murder of Private Carrasco "is something we are all against," but he criticized "those who always try to take advantage of this kind of thing to cause chaos and anarchy."

Menem said that "this should never again happen in Argentina," and voiced his hope that "there should never be a repetition of Argentina's sorrowful and tragic recent history."

In his statement to Radio Municipal, President Menem indicated that "the signs, the posters, the hatreds, the people who made armed struggle a common event in this part of the continent, are back."

Although Menem said that "there are few of them," he added that they could "prepare the ground for what could come if we do not stop them in their tracks in time."

He stated: "Many of these young people play the role of useful idiots." He pointed out: "If you were to ask some of these—fortunately few—people who Che Guevara was, you will find that they do not have the slightest idea."

He added: "They know about Che's appearance, his personal style, his look [preceding word in English] as they say nowadays, but they know nothing about his ideology."

Foreign Minister Guido Di Tella Interviewed

PY2904135194 Buenos Aires LA PRENSA in Spanish 28 Apr 94 p 6

[Interview with Foreign Minister Guido Di Tella by Ana Gerschenson; date and place not given]

[Text] [Gerschenson] Does the government have a date for President Carlos Menem's trip to London?

[Di Tella] Conditions are not right yet. We have meetings scheduled for the end of July to discuss the issues of oil exploration and fishing. Other issues are also pending, like the British opposition to installing the Antarctic Treaty Secretariat in Argentina. Then we also have the problem of the arms embargo.

[Gerschenson] Ambassador Mario Campora told LA PRENSA a few days ago that Menem will travel to London "shortly."

[Di Tella, laughing] Well, let us hope it will be so.

[Gerschenson] It was even mentioned that Menem's visit could occur before the end of the year...

[Di Tella] Look, "there are no schedules without objectives." If we resolve those issues before the end of the year, well, it could be...

[Gerschenson] How would you resolve the problem of oil exploration?

[Di Tella] It is complex. I feel encouraged by the fact that there will be a meeting, but I am not optimistic about the results.

[Gerschenson] What do you think might happen?

[Di Tella] Well, nothing...which means Argentina will have to legally object to any company attempting to explore for oil in the zone. And more so if that company embarks in oil exploitation in the area.

[Gerschenson] But the islanders have already announced the unilateral sale of oil licenses...

[Di Tella] If the deals are approved by us it will be all right. Otherwise, we will object. Cooperation is indispensable.

[Gerschenson] Please describe the legal mechanisms Argentina intends to use?

[Di Tella] First we will send "letters of discomfort" [preceding words in English] to the British Government. They will say: "Any company cooperating in the exploitation of our oil will be held legally responsible." We will then submit any cases to all pertinent international courts.

[Gerschenson] Are we negotiating the lifting of the military embargo that was imposed by Great Britain in 1982?

[Di Tella] I trust and hope the embargo will disappear within a prudent period—which will not be two days or two weeks—because it is anachronistic. It will happen sooner or latter.

[Gerschenson] What is the status of the contract to supply engines for our frigates that Rolls Royce never delivered as a consequence of the embargo?

[Di Tella] Well, we have problems. I talked with [British Foreign Secretary] (Douglas) Hurd about the matter. I have the impression there has been a relaxation of the ban because we achieved what we wanted with the radar [fitted to the Skyhawk planes purchased from the United States]. But I cannot say anything further on this issue at this time.

[Gerschenson] How are relations over the Malvinas Islands?

[Di Tella] Argentina is number 16 in the world. Our word carries increasing weight. This is being clearly noted by the British and by the islanders. Besides, we have repeatedly stated that we respect the islanders way of life.

[Gerschenson] Will Argentina respect the islanders desires as proposed by Great Britain?

[Di Tella] We want to respect the British Parliament's decision. They are the ones who must approve the treaty recognizing sovereignty [as published]. It is clear that British legislators's decisions depends basically on the opinion of the islanders. That is the way things are...

[Gerschenson] But there is also the possibility of us becoming the richest country in the world and the islanders still wanting to remain British...

[Di Tella] That is quite possible. We have not found a solution to the problem in the last 160 years.

[Gerschenson] When will the job of clearing the islands' minefields start?

[Di Tella] I think it will start this year. First, the U.S. engineers will evaluate the situation in the field. We and the islanders want the result to be 100 percent effective.

[Gerschenson] When do you think you will be able to travel to Puerto Argentino [Port Stanley]?

[Di Tella] So far one islander has invited me to go to the island once the clearing of the minefields is over. he asked me to walk through the minefields to check if the job was done well. I told him I am willing to do that once the job is finished.

[Gerscheson] What do you feel about holding a post that is almost openly sought by various members of your party, including [Interior Minister Carlos] Ruckauf or even [Defense Minister Oscar] Camilion?

[Di Tella] I am offended by your remark that only two individuals want my position. I think 33 million people want it. [the entire country's population].

[Gerschenson] It is said that you have direct contact with islanders when you travel to London.

[Di Tella] Yes, I hold informal meetings with them.

[Gerschenson] What do you tell them?

[Di Tella] That Argentina is more attractive than ever. That the Argentine threat does not exist because we are against violent solutions. I remind them that not one Argentine has a different opinion. I tell them we will claim sovereignty for ever [preceding two words in English].

[Gerschenson] And what do they say?

[Di Tella] Well...they tell me they will be British for ever [preceding two words in English].

Interior Minister Installed as PJ Branch Head

PY2904215194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1144 GMT 29 Apr 94

[Excerpt] Buenos Aires, 29 Apr (NA)—Interior Minister Carlos Ruckauf has explained that he "will not act as a lone ranger" at the helm of the Buenos Aires branch of the Justicialist Party [PJ]. He said that "he will work with all the factions to make sure that the PJ will win in the capital in the 1995 elections."

Ruckauf made these remarks on 28 April during his formal installation as head of the JP in the capital. Presidential Legal and Technical Secretary Carlos Corach; Juan Jose Minichillo, muncipal social promotion secretary and outgoing PJ metropolitan branch chief; and Deputy Patricia Bullrich also attended the ceremony. [passage omitted]

Bolivia

COB Leaders on Roadblocks; Minister Sees Political Motives

PY2904153894 La Paz Television Nacional Network in Spanish 1127 GMT 29 Apr 94

[Report over video by unidentified reporter, including recorded statements by peasant leader Felix Santos; Bolivian Labor Federation leader Juan de la Cruz; and Bolivian Social Communications Minister Ernesto Machicado—recorded]

[Text] [Unidentified reporter] The initial evaluation of the Bolivian Labor Federation, COB, and the General Trade Union Confederation of Peasant Workers of Bolivia, CSUTCB, shows that a large number of peasants all over the country blocked various highways in support for COB demands and also to draw the administration's attention to their own petitions.

COB leader Juan de la Cruz and CSUTCB leader Felix Santos stated that members of the two organizations participated in the demonstrations but, in many cases, the sons of peasants who are doing their military service prevented road blocks.

[Begin recording] [Santos] In Oruro the military (?cleared the road blocks) in (Virauna), and many peasants reported that the soldiers had their faces painted. The peasants recognized several of their sons among the painted faces. It is very bad for the peasants to see their children being used in such a cowardly manner by the government. It is a pity that things have gone so far.

[De la Cruz] We have confirmed information that three groups of peasants totalling some 20,000 people are blocking roads in Santa Cruz. In Cochabamba, especially in (Parotani) district, along the Cochabamba-Oruro highway, and along the Santacruz-Cochabamba highway through the Chapare region, there are approximately 30,000 peasants blocking the roads. There are also peasant roadblocks along the Oruro-La Paz highway in Caracollo and Vila Vila, although the latter roadblock reportedly has been cleared, the peasants are still demonstrating along the highways. The same thing is happening in Potosi, Tarija and Santa Cruz.

[Reporter] Meanwhile, workers have been demonstrating in various departmental capitals, but police and military forces prevented the demonstrators from reaching the downtown areas. This led to clashes between workers and policemen. Some people were injured and streets were destroyed. Social Communications Minister Ernesto Machicado criticized the vandals, adding that the demonstrations were politically motivated because they were staged to secure the reelection of certain COB leaders at the COB national congress scheduled to take place on 1 June.

[Machicado] It appears that there is a power struggle within the COB which is getting ready for the elections at which the new members of the executive board will be chosen. There are several candidates and many people want to get elected to the COB executive board. It is obvious that those who fight the administration the most are likely to become the most acceptable candidates. I think that this is what is going on. I believe all this street violence and the strikes are part of a political campaign, not a labor struggle.

[Reporter] The minister lamented that demonstrations staged by COB leaders to serve their own interests are harming everyone. [end recording]

Road Blockades Evaluated

PY2904154694 La Paz Television Nacional Network in Spanish 1100 GMT 29 Apr 94

[Text] The blockading of roads on 28 April has had very little effect on everyday life. The Campesino Confederation of Bolivia issued a communique calling on brother campesinos to remain calm, adding that it remains

expectant and hopes that the government will satisfy the needs of the campesino sector.

[Begin recording] [Unidentified reporter] The blockading of roads is going ahead as scheduled, but in a minimal way. Here we have video of the events that took place. At the national level [words indistinct] and we have strict control by the police and the Armed Forces. Trucks coming from La Paz were able to circulate normally [words indistinct]

[Unidentified teacher] We are rural teachers and we have given all our support to our campesino comrades who have today called for the blockading of roads at the national level. Therefore, we are supporting them.

[Reporter] There was intense police control and this made possible the normal flow of traffic (?with the exception) of the La Paz-El Alto thruway, where demonstrators blocked the flow of traffic with a large amount of stones until police intervened. They did so in this way:

[Second unidentified reporter] And this was the panorama that was observed during the early afternoon:

[Reporter] [Words indistinct] we are now with Under Secretary of Government Hugo San Martin, who made the following evaluation:

[San Martin] We have had two [words indistinct]. One in Cochabamba, between [name indistinct] and San Pedro, and the other in Potosi, in the locality of (Macha) [words indistinct].

These have been the only two important blockades. There have been other isolated blockades, which were later dismantled with the intervention of the Armed Forces.

[Reporter] One incident is lamentable. The death of that little girl who died in a truck that was intercepted by campesinos who were blockading a sector of our country.

[San Martin] In the locality of [name indistinct] in Tarija Department, we lament the death last night of a little [age indistinct] year old girl. This is very regrettable. She was in one of the trucks that were blockaded and regretfully this little girl died from the cold. [Words indistinct]

[Reporter] Finally, he explained that a large number of campesinos did not obey the measure. He stressed that the police control will continue because the pressure being applied by the COB continues. This is in strict compliance with the Constitution.

It seems the blockading of roads called for by the campesinos took place in an atmosphere of nearly total calm. It must be noted that [words indistinct] by the Armed Forces. [end recording]

Health Workers Reach Agreement, Lift Strike

PY2904181894 La Paz Television Nacional Network in Spanish 1700 GMT 29 Apr 94

[Text] The street clashes that took place yesterday have ended and there will be no demonstrations in La Paz today. Moreover, the hunger strike sponsored by the COB [Bolivian Labor Federation] is beginning to lose strength.

Health workers reached an agreement with the government yesterday for a 12 percent salary increase for this sector. Thus, their hunger strike has ended. Approximately 600 people throughout the country returned home happy after several days on a voluntary hunger strike. This will cause difficulties for the COB in view of the possibility that other sectors follow suit, thus weakening the united struggle. Right now the COB is holding a nationwide meeting to assess the situation.

[Begin unidentified COB representative recording] The nationwide meeting will assess the current state of events and decide what course the conflict will follow in view of the prospects of a solution. I want to point out that during last night's meeting, the COB reiterated its willingness to negotiate. We are aware that this conflict must be solved for the country's sake. The solution is in the government's hands. [end recording]

It is quite likely that during today's meeting, the COB might decide to suspend street demonstrations as a sign of its willingness to negotiate.

COB Ends Demonstrations

PY3004031494 La Paz Television Nacional Network in Spanish 0100 GMT 30 Apr 94

[Text] Yesterday, the health workers and the government reached an agreement by which the workers received a 12 percent salary increase. Therefore, after solving their problem, the health workers, about 600 of them, decided to lift the hunger strike and left for home, happy after several days of fasting.

This agreement could create problems for the COB [Bolivian Labor Federation] in view of the possibility that other sectors may do the same, thus breaking up the united struggle. The COB said, however, that this agreement will not weaken the workers' struggle for their demands, which will again be negotiated.

Yesterday the government asked the COB to lift the coercive measures. Today, after a COB assembly, a decision was made to maintain the hunger strike and the indefinite strike of some sectors, and to suspend the street demonstrations over the entire country, starting this afternoon, until next Sunday when the march celebrating Labor Day will be held.

[Begin COB Executive Secretary Oscar Salas recording] This demonstration of flexibility, of political will shown by the COB and the workers, should be responded to by

the government through new proposals which would serve as a basis for discussion to reach a solution to the conflict. [end recording]

On 1 May, workers will concentrate in the Plaza San Francisco to start the march to celebrate Labor Day. And on 3 May, the COB will hold a national assembly.

The government has, however, a different opinion of the decision made by the COB. The government believes that all coercive measures should be lifted to continue with the negotiations tonight.

[Begin Communications Minister Ernesto Machicao recording] The information I have about the COB's decision is still unofficial in reference to the efforts made over the last few days and weeks to have the coercive measures lifted. [end recording]

We should remember that the COB said it would only stop the street demonstrations, not the hungers strikes and the indefinite strike. But despite this decision, the step taken by the health workers is an important factor in the COB-government negotiations.

[Begin Labor Minister Reynaldo Peters recording] The salary increase granted to the health workers and the increase we are studying for the teachers will be implemented thanks to the savings made in each of these sectors. The salaries paid to people who did not work but got paid as a result of corruption will now be used for the salary increases in those sectors. This will be one of the main proposals we will take today to the COB. [end recording]

The COB, however, has not lost its hope of getting a higher salary increase percentage.

Free Bolivia Movement Supports President Sanchez

PY2904193494 La Paz Television Nacional Network in Spanish 1700 GMT 29 Apr 94

[Excerpt] The Free Bolivia Movement [MBL] has voiced support for President Gonzalo Sanchez de Lozada and asked for solutions to the social problems. The MBL belongs to the governing coalition. It was represented at Government House today by Deputies Max Fernandez and Juan del Granado.

Del Granado explained why the MBL had come to Government House to speak to the president of the Republic. First he mentioned the MBL's support for the executive branch.

[Begin Del Granado recording] We came to say three things which, I believe, were welcomed by the constitutional president. First, we expressed the MBL's support for the president and the government in view of this very difficult moment; second, we voiced our deep concern over this obvious difficulty in solving a conflict that affects and concerns everyone of us; and third, we expressed the MBL's belief that the government must adopt a more flexible stance so that, stemming from the president's social awareness, we may find a solution for Bolivia. [end recording]

The Solidarity Civic Union, headed by Max Fernandez, which is another Nationalist Revolutionary Movement government partner, voiced its concern through Deputy Jaime Ponce over the social crisis the country is enduring.

[Begin Ponce recording] I have repeatedly said it is regrettable that this problem cannot be solved due to the lack of clear dialogue between the two parties. I believe dialogue is feasible when the two parties—the government and the social sectors—are willing to negotiate. Violence leads nowhere. I am very worried about the way in which the Bolivian democratic stabilization process is developing. Every Bolivian citizen will be affected if democracy is destabilized because we would return to the dictatorships or tyrannies that ruled in the past. I do not want to return to the past. This is why we are upholding an open dialogue and want the government to explore the possibilities, within the framework of the national budget, of solving the workers salary problem. [end recording] [passage omitted]

Communications Secretary Asks for Understanding

PY2904131994 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 94

[Text] Communications Secretary General Mauricio Antezana has reiterated that the government firmly maintains its commitment to the Bolivian workers and to low income families. He said the programs being implemented, among them those of popular participation, capitalization, and education reform, seek to help the poor and to make the changes the country needs.

[Begin Antezana recording] The workers must realize that the government understands their situation and that it acts in solidarity with their demands because they are fair demands. However they must also understand, especially the labor leaders, that the real situation of our national economy does not allow us to immediately carry out a salary policy that will create an inflationary spiral. [end recording]

Antezana added that the government goals are: to avoid raising fuel prices and to rationalize and streamline the economy. These goals seek to protect the poor by offering them a real sustainable salary increase. The communications secretary added that the national budget is an innovative tool to benefit the needy.

[Begin Antezana recording] The national budget allocations are mainly concentrated in social investments. This is a new element that represents a great innovation compared with the system used in the budgets of the past few years. The national budget includes the innovation that this year it incorporates the participation of the people. By doing so, it establishes a discipline for the

distribution of income among the provinces. The Popular Participation Law establishes a fair distribution of resources according to the number of inhabitants of certain municipalities, and particularly benefits the provinces. This means the national budget is based on a social principle and goal. The government's overall economic policy also seeks to benefit the low-income sector and all workers.

The government asks the Bolivian people for understanding in these difficult moments. The people must understand that this is not a simple provision. [end recording]

President Sees Threat of 'Narcoguerrilla' Actions

PY2804220994 Madrid EFE in Spanish 1528 GMT 28 Apr 94

[Excerpts] La Paz, 27 Apr (EFE)—Bolivian President Gonzalo Sanchez de Lozada has stated that Bolivia is running the risk of becoming the target of "narcoguerrilla" actions. In a statement published by the La Paz newspaper ULTIMA HORA today, Sanchez de Lozada explained that in Chapare, a region in the central part of Cochabamba Department, "the atmosphere is ripe for the establishment of drug cartels or the operations of narco-guerrilla groups." [passage omitted]

Sanchez de Lozada stated that "all coca leaves produced" in the Chapare region are used to manufacture cocaine, not for the traditional and legal uses of this leaf. [passage omitted]

Sanchez de Lozada also announced that his administration wants to draft a new drug enforcement policy in coordination with the United States Government.

"This is very important for them (the North Americans), because even though they have acknowledged after many years that the responsibility for this situation should be shared, we must come up with a proposal capable of truly resolving this problem," the Bolivian president said.

Sanchez de Lozada agreed that drug trafficking is one of Bolivia's most serious problems, and stressed that it jeopardizes Bolivia's relations with the rest of the world.

Detained Journalist Released by Court Order

PY2904160694 La Paz Radio Fides Network in Spanish 1100 GMT 29 Apr 94

[Report by Nicolas Sanabria Garron]

[Text] Journalist Judith Munoz was freed yesterday after a judge approved a petition of habeas corpus in her favor. Ivan Miranda, leader of the Bolivian Press Workers federation, said:

[Begin Miranda recording] There is no incriminating evidence or accusation against this journalist who was unfairly detained, tortured, and threatened by repressive government elements and by agents who persecuted her. [end recording]

Aranibar Encourages German Investment in Nation

PY2704170594 Madrid EFE in Spanish 1643 GMT 26 Apr 94

[Text] Bonn, 26 Apr (EFE)—Bolivian Foreign Minister Antonio Aranibar Quiroga today ended his stay in Bonn, the main phase of his three-day visit to Germany. During his visit to Bonn, Aranibar encouraged German business people to invest in Bolivia.

Aranibar, who had a chance to address a large audience of private German business people during a meeting at the Confederation of German Industry and Commerce Chambers, tried to interest business people in a series of privatization projects and some significant industrial projects.

During a news conference this afternoon, Aranibar explained that he had told his audience about the capitalization project involving some public enterprises in the natural gas and oil, electric power, telecommunications, railway, smelting, and air transportation fields.

The German business people also showed great interest in the plan to build a gas pipeline between Santa Cruz central Bolivia and Sao Paulo, Brazil. This represents a "megaproject" for Bolivia and is necessary for Brazil's energy supply system.

The Germans also were interested in the plans for Ilo, the Peruvian town on the Pacific coast where Bolivia, after an agreement signed with the Peruvian Government, intends to build an industrial and tourism free zone and hopes to turn it into an important port for the shipment of its exports.

Aranibar, who believes the Germans are the right people for this project due to their experience and technology, also will show the plans for Ilo port to business people in Berlin, with whom he will meet on 27 April in the morning, and especially to those in Hamburg, the great hanseatic town and German port, where he will end his visit that same afternoon.

During his two-day visit to Bonn, Aranibar had a tight agenda that ended on 25 April with a meeting with his German counterpart, Klaus Kinkel, with whom he signed a financial cooperation agreement for 50 million German marks ($30 million), earmarked for potable water and sewage infrastructure projects, as well as for the preservation of natural resources.

Aranibar announced that the German-Bolivian Joint Commission will meet next July in Germany to establish the framework for future cooperation between the two countries, among them cooperation for the institutional consolidation of the recently created La Paz Justice Ministry.

According to the minister, during all the meetings held in Bonn with politicians, legislators, representatives of organizations or business people he found great interest and understanding for the efforts toward political and economic reform in Bolivia.

Roundup of Economic Reports

PY2804164694

[Editorial Report] The following is a compilation of reports on economic activities monitored through 28 April.

The Andean Development Corporation has agreed to a $38 million loan for Bolivia designed to co-finance an investment program with the Inter-American Development Bank and World Bank. (La Paz LA RAZON in Spanish 16 Apr 94 Economic Section p B3)

Andres Saldias, La Paz chamber of exporters chairman, reported the trade balance with Argentina registered a deficit of $79 million in 1991, and $89 million in 1992. (La Paz HOY in Spanish 14 Apr 94 Political Section p 13)

On 14 April, Bolivian Foreign Minister Antonio Aranibar Quiroga and Japanese Ambassador to Bolivia Shizuya Kato signed exchanges note in which the Japanese Government donated $10.2 million to Bolivia to implement urban projects in La Paz. (La Paz PRESENCIA in Spanish 15 Apr 94 p 7)

Brazil

Magalhaes Declines Offer To Be Cardoso Running Mate

PY3004025994 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Apr 94

[Text] The Brazilian Social Democracy Party [PSDB] and the Liberal Front Party [PFL] will base their alliance on a government program. Former Bahia Governor Antonio Carlos Magalhaes and PSDB presidential candidate Fernando Henrique Cardoso today met in Rio de Janeiro to discuss the nomination of the candidate for vice president on the PSDB-PFL ticket. After a two-hour meeting, the former governor announced that his son, Deputy Luis Eduardo Magalhaes, would not run for vice president on Cardoso's ticket.

In Brasilia, Deputy Magalhaes confirmed his father's announcement. Luis Eduardo Magalhaes, who is the PFL leader in Congress, said he never wanted to be vice president.

[Begin Magalhaes recording] I do not want to run for vice president. I believe there are other qualified candidates in our party. Next week, the PFL national and congressional leaders will be nominating someone else. [end recording]

Former Governor Magalhaes gave details of his meeting with Cardoso.

[Begin Magalhaes recording] I discussed with him his political strategy, campaign issues, how to make the campaign gain momentum more rapidly in Bahia State and the northeastern region, and I conveyed to him our support for his candidacy. The first thing I told him is that I support him. After conveying to him my support, I felt at ease to give him my thoughts, and he democratically listened to me. He respectfully discussed these ideas with me, thus confirming the qualities that would enable him to lead Brazil as president of the nation. [end recording]

The former governor noted that it was the party's decision to have Deputy Magalhaes nominated as vice president. He regretted the deputy's refusal, but noted that the party must respect Luis Eduardo's decision, and announced that the PFL will nominate someone else.

Columnist: Franco Unwilling To Attend Miami Summit

PY2904215294 Rio de Janeiro O GLOBO in Portuguese 29 Apr 94 p 3

[Article from Zozimo's column: "Chemical Thing"]

[Text] The U.S. Government suspects there will be at least one chair empty at the Americas summit scheduled to take place in Miami in December. That which is meant for President Itamar Franco.

The White House has already received some signals that the Brazilian president is not willing to attend the summit organized by President Bill Clinton, with the participation of the chiefs of state of the entire hemisphere, except Cuba.

The fact that Brazil will have a newly-elected president by that date serves as an excuse for Franco's lack of interest in attending the summit, the intention of which is to implement a political and trade integration project for the three Americas. The reason for Franco's absence, however, goes beyond the date issue.

According to a small circle of friends close to Planalto Palace, he simply does not like Clinton. Franco, who is a simple and frank man who appreciates a good piece of coconut-baked pork, dislikes the president of the most powerful country in the world. It is a personal matter. What can be done? It must be a chemical thing.

Chile

Foreign Minister: Policy Objective Priorities

PY3004030894 Madrid EFE in Spanish 0018 GMT 28 Apr 94

[Text] Santiago, 28 Apr (EFE)—Today, Chilean Foreign Minister Carlos Figueroa stated strengthening the internationalization of the Chilean economy is one of the

great objectives of Chilean foreign policy. During a lecture at a private university, Figueroa described the guidelines of the foreign policy of President Eduardo Frei's administration.

Figueroa said negotiating for a free trade agreement with the United States, or Chile's acceptance as a NAFTA member, should be the government's priority goals. He explained that in order to step up the internationalization of the Chilean economy, alliances and agreements that will ensure the country's appropriate insertion into the great world markets are necessary.

Regarding the European Union, Figueroa said this area is very important to Chilean foreign policy because, in his opinion, the European economy represents the largest integrated market in the world and is one of the most important megamarkets for Chile.

Another subject mentioned by the foreign minister as being of great importance to his foreign policy are relations with Latin American countries, which should be relations that would contribute to a climate of democratic stability. Figueroa pointed out the need to participate, in a selective manner, in initiatives to promote peace, the broadening of democracy, respect for human rights, and development and equity in the international system.

The minister said the current government, which was sworn in 11 March, hopes to implement a lasting foreign policy that will provide continuity. That foreign policy should respect international law and agreements and promote the legal and peaceful solution to controversies and the search for peace.

ΩRoundup of Economic Issues

94P20696A

[Editorial Report]

Copper Cathodes Shipped From Iquique

The Cerro Colorado Mining Company has shipped its first load of copper cathodes to Japan and Taiwan. The shipment totals 500 tons and marks the return of mining activity to Iquique Province. Copper now accounts for 10 percent of the cargo passing through the port of Iquique, which handles mostly fishing industry products and goods entering the Free Zone. Copper's share is expected to increase when the three mines in the area (Cerro Colorado, Quebrada Blanca, and Dona Ines de Collahuasi) are in operation. The Cerro Colorado company, which is part of the Canadian mining corporation Rio Algom, views the shipment as the start of a new phase and anticipates exporting about 40,000 tons annually. The company's open-cast mine is located 120 km east of Iquique and represents an investment of $290 million. (Santiago EL MERCURIO in Spanish 28 March p C8)

Economy Minister on Export Strategy

At a meeting with the Association of Exporters of Manufactured Products (Asexma), Economy Minister Alvaro Garcia announced that Chile's exports are expected to exceed $12.5 billion in 1994, with $9.7 billion in goods and more than $2.8 billion in services. The government has set two priorities in its export strategy: identifying emerging markets for Chilean products, and taking specific actions to increase competitiveness. These actions could include quality certification, environmental standards, increased investment in infrastructure, and expansion of worker training. He noted that the Latin American market has been expanding and diversifying while sales to the EU and Japan have declined over the past year. Thus, the government will emphasize trade liberalization in the region. Garcia stressed the need for flexible machanisms to react quickly to changes in international economic relations. He stated that the Economy Ministry has come to the conclusion that existing export incentives are inadequate under the current circumstances and must be reviewed with special attention to export diversification in both products and markets. (Santiago LA NACION in Spanish 30 March p 16)

Government Economic Policies

Speaking at the opening ceremony for the academic year at the Andres Bello University, Economy Minister Alvaro Garcia presented an outline of the government's economic policies. He reiterated the government's intention to change the Law on State Enterprises to modernize the public sector and ensure greater efficiency. He said that a sustained increase in productivity is required in order to reach the goal of 6 percent economic growth this year, and noted that controlling inflation means "avoiding any populist temptation concerning public spending, salaries, subsidies, and taxes; and moderating private spending on consumption and wage demands in excess of productivity." The government will continue to increase programs to improve income distribution, and proposes to create a national job training system, a workers training fund, and a national employment information and guidance system. The government is also concerned about expanding the process of collective negotiation, creating unemployment insurance, and promoting competition in all areas possible. These steps would involve a significant revision and strengthening of regulatory agencies and the Antitrust Law. (Santiago LA NACION in Spanish 1 April p 17)

Study on NAFTA Readiness

Two Chilean economists have prepared a study at the request of the Canadian Government on whether Chile is prepared to accede to NAFTA. Fernan Ibanez and Felipe Larrain presented the study to the Chilean-Canadian Chamber of Commerce. One of their main conclusions is that Chile is well-prepared to enter NAFTA, given the country's macroecomic stability and open and transparent commercial law and business practices. Chile has also had

a lengthy and active tradition of participation in international agreements such as the GATT. Chile would need a minimal number of legal and procedural changes to comply with NAFTA, because most tariff rates and government procurement practices meet NAFTA standards. The study concludes that Chile would benefit from guaranteed access to a large market; an impartial conflict resolution mechanism; uniform regulations for trade among four countries, especially regarding nontariff matters; and assured access to goods and services. (Santiago LA NACION in Spanish 2 April p 17)

Colombia

Government Decrees 'State of Internal Disturbance'

PA0205000494 Hamburg DPA in Spanish 2322 GMT 1 May 94

[Text] Santa Fe de Bogota, 1 May (DPA)—The private Caracol radio station reported the Colombian Government decreed a state of internal disturbance tonight, thereby preventing the release of more than 700 inmates, including dangerous terrorists, drug traffickers, and guerrillas. This mechanism authorizes President Cesar Gaviria to issue special, temporary laws without the approval of the National Congress.

This is the only mechanism available to the Gaviria administration to prevent the mass release of inmates upon the completion of their prison terms because public prosecutors have failed to study their cases to begin their trials.

The decrees issued by Gaviria during this period will be valid for as long as the state of exception is in effect. According to the Constitution, the state of internal disturbance could last 90 days and could be extended for an additional 90 days.

Prosecutor General on Decree

PA0205032394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 2 May 94

[From the "AM-PM News" newscast]

[Text] A few minutes ago, the national government decided to decree a state of internal disturbance to prevent the release of incarcerated guerrillas and drug traffickers. Hans Sarmiento has the story.

[Begin recording] [Sarmiento] This is the third time the government has declared a state of internal disturbance to avert a legal crisis. This time the state of internal disturbance has been declared amid a dispute between Prosecutor General Gustavo de Greiff and the national government. The prosecutor general, however, made peace with the president at the beginning of the meeting [not further identified] and accepted the state of internal disturbance even though he had previously opposed it.

[De Greiff] The president convinced me how appropriate the measure was and how dangerous the mass release of inmates was. I accepted because I am a reasonable, not arrogant, man.

[Sarmiento] Some 860 inmates will have to wait two more months, the period of the state of internal disturbance, for their cases to be considered. At the end of this period, however, there is no guarantee they will be released.

[Unidentified speaker] We Colombians are inclined to declare a state of internal disturbance and to live in a state of exception. I think Colombians must trust a government and a state that are willing to adopt timely measures to maintain public order.

[Sarmiento] As part of the state of internal disturbance, a judicial emergency was decreed, and trials with faceless judges were suspended for 60 days. [end recording]

Prosecutor General Urges Protest to U.S.

PA2904185194 Paris AFP in Spanish 1503 GMT 29 Apr 94

[Text] Santa Fe de Bogota, 29 Apr (AFP)—Gustavo de Greiff, Colombian prosecutor general, has stated in a letter sent to Foreign Minister Noemi Sanin that the Colombian Government should protest to his U.S. counterpart for meddling in his justice decisions. Thus, de Greiff has responded to a note by the U.S. Government protesting several of his actions, which are considered too lenient regarding the drug-trafficking issue. "Personally or officially, I find a government's attempts to influence in any way the sovereign decisions that should be made by Colombian judicial officials as unacceptable," the prosecutor general said in the letter to the Foreign Ministry.

The Colombian Government is studying a reply to the U.S. protest note, which, according to the Foreign Ministry, will take some time, given the legal complexity of the issue.

The Colombian prosecutor general has been the target of an avalanche of criticism this past month stemming from his statements that the best way to combat drug trafficking would be to legalize drugs.

Subsequently, he had contacted a U.S. judge who is processing Dandenys Munoz (a Medellin cartel member suspected of planting a bomb in a commercial plane in 1989 causing 107 victims) saying he has no evidence against Munoz. U.S. authorities say de Greiff has requested, on nine occasions, to meet with another member of the cartel, Carlos Alzate, detained in a Santa Fe de Bogota jail. The prosecutor general has denied making such a request.

Asks U.S. To Stop Personal Attacks

PA0105165194 Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 94

[Text] Prosecutor General Gustavo de Greiff has asked U.S. authorities to stop U.S. officials from attacking him without justification. De Greiff has also called on the U.S. Government to continue cooperating with the exchange of evidence, as this will advance the end of the scourge of drug trafficking.

Upon returning from a trip to the UK and the United States, the official said in a communique that he held a news conference in Washington and had emphatically rejected the charges that drug traffickers have infiltrated the government and that there is corruption in top government positions and in the legislative and judicial branches, as claimed by a convict at a U.S. Senate subcommission.

The prosecutor said that in his opinion, the procedures to bring drug traffickers to trial and the penalty reduction policy in effect should continue. De Greiff said those who say drug traffickers are given lenient treatment or illegal sentence reductions are liars. "No pardons or amnesties of any kind have even been considered," he said. De Greiff said cooperation with justice cannot be conditioned to forcing judicial officials to use given evidence, prior to consultation of their decisions, with the country that gives the evidence.

De Greiff had told the U.S. media he had not proposed drug legalization as a way to stop the use of illegal drugs but, rather, as a way to stop drug traffickers from obtaining the excessive profits they are making. This decision has to be adopted, however, by the international community as a whole, he added.

The official said Senator Kerry could not affirm, if he acts in good faith, that regarding one drug trafficker (Julio Fabio Urdinola), who surrendered to justice, the Prosecutor's Office has reached an agreement to give him a four- or a four-and-one-half-year prison sentence. "There has been no trial provision, much less an out-of-court agreement on this issue," he added.

De Greiff arrived in the UK on 15 April and met with the UK prosecutor general, the secretary of state of foreign affairs, officials of the Investigation Center on Drugs and Health Behavior, and other officials and parliamentarians of that nation. During those meetings, de Greiff explained the scope of Colombian justice and thanked them for the material and intellectual aid the UK has given to Colombia in this field.

Candidate Navarro Defends De Greiff's Position

PA2904233394 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 29 Apr 94

[Telephone interview with Antonio Navarro Wolff, presidential candidate for the Colombian 19 April Movement Democratic Alliance, in Santa Fe de Bogota by unidentified reporter on 29 April; from the "Caracol's 0600 to 0900" newscast—live or recorded]

[Text] [Reporter] We salute Dr. Antonio Navarro Wolff, presidential candidate for the 19 April Movement Democratic Alliance. Dr. Navarro, what is your opinion of the letter sent hours ago by Prosecutor General Gustavo de Greiff to Colombian Foreign Minister Noemi Sanin on a diplomatic protest note sent by the U.S. Department of State to the Colombian Government complaining about the attitude of our nation's top prosecutor? Good morning.

[Navarro] Good morning. I think the prosecutor general is right in his conflict with sectors of the U.S. Government and Congress because I think the attitude of placing all the blame on us, which was assumed during the Reagan and Bush administrations, prevails again in the United States.

I think the prosecutor general has complied with legal norms; he has in no way violated the law. The prosecutor general did not draft the Penal Procedure Code; the government and the Congress did. Thus, [words indistinct] only enforcing it.

I think the prosecutor general has been mistreated. I think the summit of governors, which began in Popayan yesterday, should defend the dignified and sovereign position assumed by the prosecutor general. I do not know whether the government is somewhat caught up between [words indistinct] and the need to defend its judicial system. What is indeed true, however, is that the summit of governors [words indistinct] must support the prosecutor general and reject the discriminatory and unfair treatment of him by U.S. authorities.

Samper, Pastrana Discuss Economic Programs

Samper Discusses Program

94CA0108A Santa Fe de Bogota EL ESPECTADOR in Spanish 9 Apr 94 p 2B

[Liberal Party presidential candidate Ernesto Samper discusses his economic policy proposals during a meeting of the 29th Convention of Banking and Financing Institutions held 8 April in Cartagena]

[Text] Cartagena—By means of a social agreement covering competitiveness, prices, and salaries, candidate Ernesto Samper proposes to lower the inflation rate quickly in the next four years. In that way he will eliminate devaluation, as he feels that cannot continue to be the tool used to reduce the cost of living. These are the main proposals of the economic program he will apply if elected president.

Taxes

It is overhasty, inconsistent, and populist to suggest a new tax reform to reduce the tax burden without knowing what the fiscal situation will be in the next few months.

Revaluation

A stable real rate of exchange will be a central goal. To achieve that, the support of the entire private sector is needed.

Banking

There will be no financial reform; on the contrary, there will be stability in regulations and minimal government intervention. There will be strict controls, but they will be highly technical in nature.

Credit

Commercial credit needs to reach more users and economic sectors.

Industry

An urban credit system will be established for small businesses and industries, supported by a rediscount fund (Finurbano [expansion not given]), sustained by external lines of credit and government and budget resources. In addition, there will be a rural savings and credit network similar to the English postal savings system.

Agriculture

Credit will be democratized and an ambitious land title program will be implemented. This will help a large number of campesinos who now have no formal property titles. That will make it easier for them to obtain commercial financing and use their assets in a modern productive system.

Macroeconomy

Stabilization of the real exchange rate will first of all require bringing inflationary pressures under control. In his opinion, exchange stability and control of inflation are interrelated goals.

Fiscal Policy

Controlling inflation will be helped by coordinating fiscal and monetary policy, which will avert demand-driven inflationary pressures.

Cusiana Resources

To handle the oil bonanza, an investment stabilization fund will be set up to manage part of the Cusiana resources.

Capital

He will propose to the stock exchanges the creation of a mixed corporation which will actively promote the development of the capital market. This agency will promote the stock market with businesses that are not listed on the stock exchange and the development of instruments like stock purchase programs and project financing.

Security

Efforts will be made to improve "peace management." All departments of the government will be involved in creating conditions that will make the return of the former armed rebels to society feasible.

Economic Liberalization

Colombia's closed domestic market will be eliminated in order to foster competitiveness, more exports, growth, and better jobs and salaries. A great deal of private investment will be stimulated.

Pastrana Discusses Program

94CA0108B Santa Fe de Bogota EL ESPECTADOR in Spanish 9 Apr 94 p 2B

[Conservative Party presidential candidate Andres Pastrana discusses his economic policy proposals during a meeting of the 29th Convention of Banking and Financial Institutions, 8 Apr in Cartagena]

[Text] Cartagena—According to candidate Andres Pastrana, the essential and most equitable goal is to reduce inflation to levels under 10 percent in the next four years. The tax burden should also be reduced and improved coordination with the board of directors of the Bank of the Republic is needed in order to put an end to revaluation. The views of the conservative presidential candidate follow.

Taxes

The maximum income tax rate will be reduced from 37.5 to 30 percent. Tax instruments will also be improved.

Revaluation

Quick action will be taken on this front, as it has become an obstacle blocking private investment. Revaluation is not caused by an influx of foreign capital or the return of money from Colombian citizens.

Drug Traffic

One cause of revaluation is excessive drug trafficking revenues, which have totally distorted the exchange rate. He will oppose legalizing drugs.

Banking

In an open economy the development of universal banking is desirable, so the existence of a fragmented

financial sector, in which credit is directed toward goals preset by the government, loses its rationale.

Bank Reserves

He plans to reduce this burden on the financial system, thus helping financial institutions to compete internationally.

Credit

Government intervention in the private sector's financial management will be minimal. Restricting the credit of savings and loan institutions will stimulate even more the influx of foreign capital to finance construction projects.

Macroeconomy

There will be fluid and effective coordination between the government's economic team and the board of directors of the Bank of the Republic, faithfully respecting the commitments made to pursue macroconomic goals. This is the only way to avoid the sudden shocks that now jolt the economy, which are really disastrous for activities like construction.

Jobs

The biggest challenge of the current development process is to find ways to help people who work peacefully and honestly. Financial and economic conditions will be created that will enable the development of more businesses, and consequently, the creation of more jobs.

Security

The state will be strong in fundamental areas, that is, in the maintenance of public order and the campaign against crime and violence. There will be strong consumer protections, and abuses by monopolies will not be tolerated.

Economic Liberalization

Savage capitalism is capitalism with public disorder, high inflation, macroeconomic imbalances, excessive competition, abuses by private and public monopolies, and closed markets. These problems are going to be eradicated.

Inflation

To control the cost of living and avoid revaluation, the support of various social classes will be sought. He has made a commitment to remove economic indexing.

All administrative prices, including public service and utility rates, will be adjusted in line with inflation goals. The aim is to keep the sacrifices incurred in reducing inflation from striking wage earners or vulnerable population groups.

Government Spending

Revaluation will be halted by measures to control inflation and public spending. This policy has not been carried out by the current administration, and in Pastrana's opinion, the liberal candidate has not advocated such a policy. Government spending will concentrate on areas like education, clean water supply systems, health care, road modernization, and environmental protection.

Ecuador

Polling Stations Open for Elections

PA0105133094 Madrid EFE in Spanish 1221 GMT 1 May 94

[Text] Quito, 1 May, (EFE)—The 15,870 polling stations throughout Ecuador opened to voters today at 0700 (1200 GMT) for legislative, provincial, and municipal elections, which promise few surprises.

For several months now, the unanimous prediction has been that the opposition Social Christian Party will win. All that remains to be seen is the proportion of their victory over Sixto Duran-Ballen's conservative government.

According to local radio and television stations, election day, which concludes at 1700 (2200 GMT), began with no major incidents.

More than 20,000 candidates from 17 political parties are competing for the votes of 6.2 million voters. The people must renew 65 of the 77 seats at the single-chamber Congress for a two-year term. Also during today's vote, Ecuadoreans will elect 54 provincial council members and 607 municipal council members to a four-year term.

Bomb Explosion Reported

PA0105185394 Madrid EFE in Spanish 1648 GMT 1 May 94

[Excerpt] Quito, 1 May (EFE)—A low-intensity bomb, which exploded early this morning in Santo Domingo de los Colorados, 100 km west of Quito, and which did not cause personal injuries, has been the main incident of the legislative and gubernatorial elections being held today in Ecuador. Quito radio stations that reported the attack added the bomb did not cause substantial damage in the building where it was placed, and no information was known about the perpetrators.

There were two false bomb threats at polling stations in the capital, and in Esmeraldas, a city on the Pacific Coast, three people were injured in an incident between political adversaries, according to a television network.

No incidents have been registered throughout the rest of this Andean country of 11 million people except for delays in the opening of polling stations due to the late

arrival of electoral officials, the lack of voting material, and similar cases. According to information from local media, voter turnout was low during the morning hours, and in certain places voting had not started two hours after the beginning of the elections. [passage omitted]

Duran-Ballen Willing To Cooperate With Congress

PA0105233594 Hamburg DPA in Spanish 2335 GMT 1 May 94

[Text] Quito, 1 May (DPA)—President Sixto Duran-Ballen's liberal government, which will reportedly be defeated in today's elections in Ecuador, has announced its willingness to "work and cooperate" with the new Congress, in which opinion polls predict the opposition will enjoy an ample majority. "We want cooperation, not confrontation," Carlos Larreategui, the government's secretary general, said while reporting that everything was calm in the country during the election in which 6.2 million voters will elect 65 of the 77 Congress members.

No incidents have been reported during the election, which began at 0700 local (1200 GMT) at 15,870 polling stations throughout the country's 21 provinces. Nevertheless, military forces are keeping watch at strategic locations, as stipulated by the Electoral Law, which also forbids the sale of alcoholic beverages.

"This is calm, not indifference," Jaime Nebot, former presidential candidate for the Social Christian Party, said. "Those who talk about indifference do so because they have not seen the excitement of the party's campaign," he added.

According to opinion polls, the Social Christian Party will be the overwhelming winners in the election. The party is expected to win at least one-third of the seats for which the country's 17 parties are competing. The government is expected to be the great loser, receiving less than 10 percent of the seats in the new Congress to be installed on 10 August. Nevertheless, it is possible that the ideological affinity between the government and the Social Christian Party, parties separated by personal rather than ideological disagreements, will allow implementation of the government's economic opening program despite the government's minority in Congress.

Official Results Confirm PSC Victory

PA0205033894 Hamburg DPA in Spanish 0127 GMT 2 May 94

[Text] Quito, 1 May (DPA)—Official results have confirm the victory of the rightist Social Christian Party [PSC], which obtained approximately 38 percent of the total vote and one-third of the 65 deputy seats up for election in Ecuador today.

Thus, the PSC shed the regional nature that has characterized it as a coastal organization and became the leading national force by winning the election in more than 10 provinces spread throughout the country's four natural regions. This victory leaves 47-year-old Jaime Nebot, the PSC presidential candidate, as the front-runner for the presidency in 1996.

Nebot said the PSC faction in the unicameral Congress will demand changes from President Sixto Duran-Ballen's liberal government and will strive from the opposition to see that "the poor Ecuadorean is taken care of." The official vote count confirmed both the popularity of the right coalesced in the Roldosista Party as the country's second leading force and the weakening of the traditionally strong center-left Democratic Left and Popular Democracy parties.

According to official figures, the surprise of the election was the reemergence of the Maoist influenced Popular Democratic Movement as the country's third strongest political force and the leftist populism represented by Popular Revolutionary Action. The rest of the Marxist leftist parties have been virtually extinguished.

All of the political parties that obtained seats in Congress have announced they will continue to oppose the government. At the same time, however, they will try to improve the image of Congress, whose popularity has reached an all-time low as a result of the inactivity in the past two years.

The period of Congress sessions during which the new deputies will be sworn in will open on 10 August. On that same day, liberal President Duran-Ballen will begin the final two years of his term with no possibility for reelection.

Although the government received more support in the elections than predicted by opinion polls, it will have to face a hostile Congress for the rest of the term.

In this last stage, the government will try to implement its plan for economic opening and to privatize public corporations regarded as inefficient and unproductive, an action the PSC will surely support despite its avowed opposition.

Duran-Ballen News Conference on Election

PA0205040994 Quito Voz de los Andes in Spanish 2322 GMT 1 May 94

[News conference by President Sixto Duran-Ballen on legislative and municipal elections with unidentified reporters at the Presidency on 1 May; broadcast in progress—recorded]

[Text] [Duran-Ballen] For the time being, we have a bloc of eight deputies, but we will confirm this in a few hours when we have the results of today's democratic exercise. Even if we add the remaining deputies to that figure, the number is lower than we have had as far back as 1992. But the number of our deputies has not been reduced to the extent reported in the country. The attitude of the 15 other parties has not been to go to Congress to make specific proposals. No. Their only goal has been to oppose the current government. They have not presented

any proposals nor have they been constructive. They were bent on destroying the government's image. The fact that we have the number of deputies you people say we will have, although we did not elect even one deputy in some provinces, the two lists constitute substantial proof of support. That means that the people in general, the majority within the center-right option, favor changes like restructuring the economy, changing the political stand, and creating more jobs. The people have seen that this is what my government has been doing.

[Reporter] What can you say about today's political victory, Mr. President, considering that, as you say, there has been [words indistinct]?

[Duran-Ballen] We cannot talk about a political victory or say that the opposition has won. There is an anticipated result, which will depend on the spirit with which the deputies will work at the National Congress and in the provincial and canton councils over the next two years.

[Reporter] Mr. President, you say that all parties have banded together to campaign against the government. There is no doubt that the number of votes received by the government parties represents a rejection of the government's policy. It seems that not all the people are aware of what your government is doing.

[Duran-Ballen] Well, I cannot expect uniform acceptance by the Ecuadoran people. If I asked any one of you whether my work as mayor of Quito was positive, you would probably say yes. Well, this very same thing has happened to me halfway through my term. There has been a reaction. The people could not see the purpose of planning and the administrative and financial reorganization of Quito municipality. I had the same reaction to the government in general.

[Reporter] The majority of the next Congress will be in the opposition [words indistinct].

[Duran-Ballen] No. The people are aware that the only goal of the parties in Congress has been to oppose the government's work. At some time, not only the Social Christian Party has cooperated with the government. Several deputies have supported government proposals because they found them reasonable and were convinced that the country urgently required these proposals to advance.

[Reporter] Do you expect a similar stand now that a letter of intent has been sent to Congress so the obligation with the IMF can be paid?

[Duran-Ballen] I would not talk about an obligation with the IMF. I would talk about commitments with the country, commitments we have told the IMF that we would try to fulfill. It is worth clarifying, however, that the IMF has not set terms. Quite the opposite is true. I have explained this a number of times. Any country's letter of intent to the IMF represents a pledge by the country to solve its economic problems in the near future. Consequently, there are no impositions other than those that we have placed on ourselves.

[Reporter] Will the government be able to do all that has been planned?

[Duran-Ballen] Regarding the aspects that depend solely on the executive branch, we will continue to do everything we had in mind, just as we have been doing. [words indistinct]

[Reporter] Mr. President, there is no doubt that the number of votes received by the government parties is disappointing. What do you think has been your worst mistake in these two years? Do you think it should be corrected in the remaining two years of your term?

[Duran-Ballen] I would not describe those actions as mistakes but rather as an outside assessment of what we have done. The country, including my fellow party members, and the media expected the economic situation we received to be corrected. We have made decisions to keep the number of bureaucrats low. This decision, not only to keep the number from rising but to reduce it, had never been made before. That is a positive step for the country. The economic reorganization we have been implementing is already yielding results. Consequently, a number of loans will be signed with the World Bank and Inter-American Development Bank in a few months. Some loans have already been signed with the Governments of Argentina, Brazil, Taiwan, and the Andean Development Corporation. All of these loans without exception are for development, exclusively to be invested in projects and services that mean recovery for the country. None of these loans is for administrative expenditures. The only way we could have achieved these things is by doing what we have been doing in these [words indistinct].

[Reporter] You said no tangible results have been achieved in the first two years.

[Duran-Ballen] There are tangible results.

[Reporter] But not tangible enough.

[Duran-Ballen] I invite you to take any aspect and compare what my government has done with what previous governments did.

[Reporter] [Words indistinct]

[Duran-Ballen] Let us consider the current road construction and maintenance programs. Tell me if the number of kilometers of highways in 1988 through 1990 is comparable to the present number. I am asking you to dig out the figures. You have to have the figures to make an accurate assessment.

[Reporter] My question is specific, Mr. President. What can the Ecuadoran people expect considering that you explained [words indistinct]? What will those results be?

[Duran-Ballen] In these first years, we have been reorganizing the economy and reducing the number of government employees. As a result, we have access to international loans from institutions and countries. We can move greater internal resources and devote all of them to our economic development.

[Reporter] What exactly can the people expect from the government?

[Duran-Ballen] I would like to invite you or any one of the people here to come with me and tour the construction programs, not necessarily of this government, and tell me whether this reorganization has not had good results. Tell me if there are no additional jobs, which we intended. There has been an opening to international trade, and exports have increased.

[Reporter] It has been said that inflation goes down but that prices go up. It is said the number of jobs has increased but that there are no jobs.

[Duran-Ballen] How can you say there are no jobs? Who is building the highways? Who is working on the various programs in the provinces? I repeat: Let us compare any two years of any of the previous governments with the first two years of my government.

[Reporter] Mr. President, how can you ....

[Duran-Ballen, interrupting] If there are fewer projects, then I would agree with you that there are fewer jobs.

[Reporter] Have more jobs been created?

[Duran-Ballen] Of course, many more jobs have been created, but there are fewer jobs in the public sector. I refuse and will continue to refuse to consider the public sector as the only source of employment in the country, as reporters seem to believe.

[Reporter] Mr. President, you have been talking about the government's work. How do you interpret the inconsistency between what the people think, what has been expressed against the government today, and what you say? Unfortunately, you seem to speak a different language than the people. Is your government completely impossible to understand?

[Duran-Ballen] I shall go back to the time when I was mayor of Quito. For the first months, the first year of the first two years, everyone said the same thing. When I started to reorganize the real estate registry and charge fees, which had not been collected before, when we started to outline a rational plan to pave streets, establish services, and extend electrical energy, no one saw or believed. There was a reaction. Now, if I ask you—unless you do not reside in Quito—you would say the projects carried out in Quito were many and real. Otherwise, I am saying something different from the truth and deceiving the people.

Workers Threaten More Privatization Protests

PA2904214994 Quito Voz de los Andes in Spanish 2300 GMT 28 Apr 94

[From "The Voz Andes Newscast"]

[Text] Edgard Ponce, president of the United Workers Front (FUT), said the government must change its policy or the demonstrations and protest strikes will continue to grow. Workers and peasants are unwilling to allow privatization of the Ecuadorean Social Security Institute, the state-owned telecommunications company, and the Ecuadorean Institute of Electrification. The FUT reiterated that the workers will take even more radical action if the government persists in its maniacal fervor to privatize state-run companies.

The FUT president added that joint action by the FUT, the public sector, the Confederation of Indian Nationalities of Ecuador, teachers, craftsmen, small merchants, and other sectors would have serious repercussions that the government can only prevent if it stops hijacking profitable state-run companies to give them away to private businessmen.

Paraguay

Wasmosy Criticizes Journalists, Views Strike

PY3004014594 Asuncion RPC Television Network in Spanish 1600 GMT 29 Apr 94

[Text] President Juan Carlos Wasmosy responded to expressions of support from Colorado Party members from the interior of our country, who were in his office this morning. The president said he would guarantee the strike scheduled for 2 May.

During an open meeting at Lopez Palace, the presidents of the San Pedro, Caaguazu, Misiones, and Central Colorado Party precincts asked the president for Education Minister Nicanor Duarte Frutos' head. Colorado Party mayors and governors were also present.

The Colorado Party leaders, including the controversial Emiliano Garcia, who allegedly was the leader of a mob involved in the attack against Congress [on 7 October 1993, to protest the approval of a bill banning military people from becoming involved in partisan politics], placed themselves at Wasmosy's disposal for the 2 May strike.

The Colorado Party leaders said they were willing to mobilize if the president so orders. They even used indecent terms, involving sexual positions, to describe their unconditional willingness. Santani Colorado Party leader Victor Quintana literally said: We are putting ourselves on all fours before you. The Colorado Party grassroots leaders also asked the executive branch for more assistance and the ability to appoint and remove officials.

In response, Wasmosy began his speech by furiously attacking the press. Concerning the strike, he said it has political grounds. Wasmosy added: We will demonstrate that we can remain calm. He also indicated that they were teasing a tiger, and that the government would not be weak in its actions.

[Begin Wasmosy recording] I can guarantee you that we will act firmly and abiding by the law. We will protect those joining the strike because they have a right to strike. Nevertheless, they have no right to prevent other people from working, as do those professors, teachers, and movements disguised as democratic that tell the students: Do not come to school on 2 May because it will be dangerous, or because there will be no transportation. These people are insincere democrats. The Colorado Party is democratic.

Tell me if there is one journalist here who has been harassed, if one medium has been harassed, or if one person with a different political leaning has been harassed. They say what they please, and even what they should not, every day from 0600 onwards. Nevertheless, the Colorado Party is great, and it will always emerge a victor.

Gentlemen, we should actually take into account what has been raised here: a firm organization, with republican bases and principles, an unequaled nationalist, agrarian, and republican party. Nevertheless, we have been branded as having implemented neoliberal policies, with being absolutists, when the party actually takes the people into account, created solutions, and proven itself. [end recording]

Peru

U.S. Charge Summoned, Receives 'Strong Protest'

PY2904221194 Madrid EFE in Spanish 2052 GMT 29 Apr 94

[Text] Lima, 29 Apr (EFE)—Today, Peru rejected a U.S. State Department statement on the alleged slaughter of civilians in the Peruvian jungle, and described the U.S. report as "unfriendly, inaccurate, and inappropriate." The Peruvian Foreign Ministry has announced that, in the absence of U.S. Ambassador Alvin Adams, it had summoned U.S. Charge d'Affaires Charles Brayshaw to personally convey the Peruvian Government's "strong protest" over this issue to him.

On 28 April, State Department spokesperson Christine Shelly told reporters that the U.S. Government is concerned about "recent reports of the murder of civilians by Peruvian military forces in Huanuco Department, in the central Peruvian region." Shelly added that U.S. Government officials have asked Peruvian President Alberto Fujimori "to allow Red Cross personnel into the area where the massacre allegedly took place to determine the number of civilians murdered."

The Peruvian Foreign Ministry states in its communique that Brayshaw was informed that "relations and agreements between Peru and the International Red Cross Committee exclusively concern the two parties. Thus, Peru will not accept any interference from third parties in these matters."

After stating that Peru respects the independence of the Red Cross, the communique notes that it is "inappropriate" for the United States "to attempt to mediate in this case without having received any mandate from the Red Cross," and notes that "this kind of action may undermine the degree of autonomy the organization should have."

The communique finally states that Peru considers it important to maintain a good level of relations with all friendly countries, "but it cannot accept that the struggle the Peruvian people are waging against terrorism be treated lightly, let alone be the subject of unsubstantiated prejudgments."

The Peruvian Foreign Ministry was thus referring to the sources from which the State Department obtained its information, namely the National Human Rights Coordinating Board and a sector of the press, which have charged the military with having bombed some townships during "Operation Aries," which began on 5 April.

The National Human Rights Coordinating Board retracted its charges later and admitted that no bombings had taken place, but it insisted on charging that urban areas had been hit by mortar fire and that some people were murdered by soldiers. Later, the Congressional Human Rights Committee and media organizations reported that there are no townships in the area of conflict, which is located on the left bank of the Huallaga River, but rather it is a stronghold of Shining Path terrorists.

The congressional committee found the remains of several humans and asked the attorney general to investigate the death of those people. This task has been entrusted to a special prosecutor in the Tingo Maria Province, which has jurisdiction over the Huallaga zone.

Police: Shining Path 'Definitely Split'

PY2904131794 Madrid EFE in Spanish 1751 GMT 28 Apr 94

[Text] Lima, 28 Apr (EFE)—The Peruvian police guarantee that the Shining Path [SL] terrorist group has split. In a report released today by the Counterterrorism Directorate, the police speculate on the possibility of a clash between the two factions into which the group has allegedly split.

The report states that the leaders who support peace—which government officials believe is led by Abimael Guzman, the SL founder and leader—have been expelled. The other

faction does not regard him as a leader—although it recognizes him as "ideologist"—because he "does not address (the party or the war) from jail."

Government officials believe the faction that does not accept Guzman's leadership believes the alleged peace proposal is not genuine, they consider it a government "hoax."

The police report points out that the group split after the establishment—under the leadership of Oscar Ramirez Durand, alias "Feliciano"—of a new central committee in March in the Huanta Province mountains. This new central committee agreed to pursue the war that began in 1980.

The police report states that this group described the members of the central committee allegedly headed by Guzman as "debased people, traitors, weaklings, and old revisionists."

Government officials state that the rejoinder issued by Guzman's loyal followers was disclosed in a communique also dated March. In this communique, Guzman's loyal followers charge the rebels with feigning loyalty to their leader and with "undermining the party" over "personal and opportunist ambitions."

Therefore, the police believe "the internal dispute has entered the elimination phase and a settlement of accounts has not been ruled out."

Expert: Split Confirms Defeat

PY3004001294 Madrid EFE in Spanish 2109 GMT 28 Apr 94

[Text] Lima, 28 Apr (EFE)—Today, Raul Gonzalez, an expert in Peruvian terrorist violence, stressed the split in the Shining Path is what confirms this Maoist group's "total defeat." The expert indicated that the split in this group, which took up arms in 1980, has been demonstrated by Shining Path documents, some of which have been delivered to Peruvian media.

The expert noted that according to these documents the faction headed by Shining Path leader Abimael Guzman supports Guzman's peace talks with the government, whereas another faction rejects them and declares it will pursue the Shining Path war against Peruvian democracy.

Gonzalez said Shining Path had experienced hard military blows in the past two years, after Guzman's capture, "but was able to resist and remain active thanks to its main political capital, namely party unity." The expert emphasized: "The Shining Path was monolithic while it kept this unity. Therefore, the Shining Path split, from a political viewpoint, may be comparable to Guzman's capture from a military viewpoint." He added: "The organization created by Abimael Guzman has not been entirely quashed. Nevertheless, after its split, Shining Path has experienced its worst political reversal and is going through a situation of overall defeat."

Today, the opposition newspaper LA REPUBLICA published a police report that confirms the group's split. The newspaper reports that the faction opposing Guzman held a meeting in March in the Huanta Province mountains in southern Peru. During the meeting, this faction agreed to disregard Guzman's peace proposal.

The report also indicates that during this meeting a new Shining Path "central committee" was formed, and that this "central committee" expelled from the party the leaders who remain loyal to Guzman and who support peace, describing them as "traitors, infiltrated people, capitulators, and old revisionists." According to the report, the new "committee" is headed by Shining Path leader Oscar Ramirez Durand, alias "Comrade Feliciano," one of the Shining Path founders.

Today, former Deputy Carlos Tapia, another expert in Shining Path activities, stressed that "Shining Path no longer represents a threat, and in a way we may coexist with this type of violence as is the case with the IRA [Irish Republican Army] in Ireland and the ETA [Basque Homeland and Liberty] in Spain." Nevertheless, Tapia ruled out the possibility of the terrorist organization's immediate disappearance, "as the social processes that have been brewing for so long may not end overnight, and some time is required for their extinction."

Uruguay

Roundup of Economic Reports

PY2904132194

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 28 April:

The Central Bank of Uruguay reported on 15 April that the GDP grew 1.5 percent in 1993. The manufacturing industry's activities declined by 9 percent; the electricity, gas, and water supply companies' activities declined by 4.5 percent; agricultural and livestock activities barely grew 0.3 percent; fishing activities grew 0.8 percent; construction activities grew 13 percent; trade, restaurant, and hotel activities grew 6.7 percent; and transport and communications activities grew 9.2 percent. (Montevideo EL PAIS in Spanish 18 Apr 94 Market Indicators Section, p 1)

Daniel Berti, a National Association of Dairy Farmers board member, has announced that milk production increased 11 percent since early January. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Apr 94 Agriculture and Livestock Section, p 1)

The Central Bank of Uruguay reported on 21 April that the government accumulated a $74-million deficit during the first two months of this year. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Apr 94 p 10)

Venezuela

Businessmen Support New Economic Proposals

PA3004234194 Caracas REPORTE DE LA ECONOMIA in Spanish 29 Apr 94 p 16

[Report by Jacqueline Aponte]

[Text] Private enterprise has reacted favorably to the presentation of the government's economic program, which includes something new: 10 percent of PDVSA [Petroleos de Venezuela, S.A.] and CVG [Venezuelan Corporation of Guayana] shares will be transferred to workers as a way of paying social benefits owed to them and at the same time opening basic industries to private, local, and foreign investment.

Asked about the matter, Jorge Redmond, president of the Confederation of Venezuelan Chambers and Associations of Industrialists [Conindustria], said the reaction was "positive." He remarked, however, that the event was not truly the presentation of an economic program but rather a philosophical orientation on economy.

He said that the unusual thing about the event was the use of a new method to solve the problem posed by the need to reduce the number of public employees. He added that the unusual method of using PDVSA and CVG shares to pay benefits offers two positive advantages: It helps reduce the payroll, inflation, and interest rates, and stimulates the economy.

Redmond described as "resourceful and commendable" the government suggesting, at the presentation of its economic program, an adjustment in the social benefits system to restore the people's lost purchasing power. He also said that this is an indication of President Rafael Caldera's interest in changing the populist ideas presented during his campaign, such as keeping gasoline prices at the current level and continuing with the same social benefits program.

According to Berend Roosen, president of the National Council for Commerce and Services [Consecomercio], what the government presented on Wednesday is only the backbone of an economic program and that, for this reason, many things were neither said nor explained. "Nevertheless, we were happy to hear talk about opening the oil industry and the CVG to outside capital and the transfer of shares of these enterprises to the workers. Evidently, we are speaking a very similar language."

Roosen added that the government is beginning to understand that the state's labor obligations are very high. The government wants to relieve the pressure on the health and education sectors through decentralization. The formula presented yesterday will serve to transfer the services without obligations, as the governors had been demanding.

As for the transfer of 10 percent of PDVSA and CVG shares, Roosen said it still remains to determine how this decision will be implemented because PDVSA as such cannot transfer its shares. Nevertheless, the enterprise could do it through its subsidiaries, which have been set up as corporations and can register their shares on the stock market.

Association Expresses Support for Economic Plan

PA2904185394 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 28 Apr 94

[From the "National Newscast"]

[Text] The Pro-Venezuela Association [Asociacion Pro-Venezuela] Board of Directors expressed its full support today for the executive branch regarding implementation of the economic and social readjustment plan. The board of directors of the Pro-Venezuela Association, a Venezuelan nationalistic organization presided over by former Presidency Secretary Ramon Espinoza, expressed its solidarity during a visit to President Rafael Caldera at Miraflores Palace.

In statements to reporter Vicente Briceno, Espinoza said cited the adopted measures will resolve the economic crisis.

[Begin Espinoza recording] Regarding these policies, we simply suggested it was convenient to pay part of the internal debt with the private sector and certain public entities, other than the Central Bank, with funds from privatization; this would free up 40 percent of the budget appropriation destined to make interest payments on the debt. In monetary terms, this represents approximately 140 billion bolivares, which could be earmarked for social spending in 1995, and to fill the gap left over by the tax on bank debits, which will cease to exist on 30 December 1994.

We are calling for the need to revise monetary and financial policy, particularly regarding interest rates. It is impossible to reactivate the production sector and bring new investments with such high interest rates.

We also suggested it is convenient to redirect the problem of foreign currency to purchase capital and intermediate goods and [words indistinct] for production, so we can reactivate the production apparatus. If we are unable to reactivate the production apparatus, it would be difficult for banks in general and the financial sector to recover their capacity for intermediation and recover their condition as strong institutions to finance significant projects. [end recording]

Governor Elections, Removal Law Reforms Viewed

AD, COPEI Support Proposal

94SM0324A Caracas EL UNIVERSAL in Spanish 24 Mar 94 p 18 Section 2

[Text] Accion Democratica [Democratic Action] and the COPEI [Social Christian Party] have expressed their support for state governors who are seeking amendments

to the Law on the Election and Removal of Governors. They believe that the Supreme Court of Justice should be the body charged with removing elected governors for well-considered reasons.

This statement of position was made by the leaders of each of these political parties who met separately with the Board of Directors of the Association of Governors of Venezuela, presided over by Henrique Salas Romer, governor of the State of Carabobo; Francisco Ron Sandoval, governor of the State of Tachira; Carlos Tablante, governor of the State of Aragua; and Arnaldo Arocha, governor of the State of Miranda.

Salas Romer indicated that the meetings were very encouraging and that there was substantial, mutual support by the governors for each other. In principle, by continuing the process of political conversations at the highest level the irresponsibility which has been reflected in some legislative assemblies will be discouraged as well as the pressures which have been applied to political parties to come out against elected, regional governors, without serious reasons for doing that.

He said that the governors were satisfied that there is every intention to support a proposal for an amendment of this law as a matter of some urgency, "which would not make it impossible for legislative assemblies to remove a governor for serious reasons but which would set out the conditions under which this might be done."

He emphasized that the fundamental point of reference of any democratic system should be maintained, that is, that only the people can remove a person who has been elected by the people's will, unless a sufficiently serious situation should arise and the courts intervene to condemn a person involved in misappropriation of funds or any other wrongful act affecting public resources. Luis Alfaro Ucero, secretary general of Democratic Action, indicated that his party may propose an amendment to the Law on the Election and Removal of Governors because he believes that this is a very serious problem. This is a view which he shares with the national leadership of Democratic Action.

We should consider the idea that removing a governor should not be done for merely circumstantial reasons, or on the basis of considerations which are political in character. Rather, a step of this kind must be very well supported and must have been studied and analyzed with the greatest seriousness. We must try to think more of the national interest, rather than the private interests of the political parties.

He pointed out that if it is constitutionally possible to amend the law, we, for our part, will cooperate, and with pleasure, in that sense.

At the offices of the Social Christian Party the delegation from the Association of State Governors of Venezuela was received by Jose Curiel, the secretary general, and by Orlando Contreras Pulido, the deputy secretary general. Curiel indicated that in the view of the Social Christian Party it is very important to bring stability to the Venezuelan political system. It is not good for the country to have a situation like the present one in which, with a political majority and for reasons of only secondary importance, a governor may be removed from office.

Curiel added: "It is necessary to provide stability to the political system and amend the Law on the Election and Removal of Governors in a legal way in order to achieve that objective. If there is a serious situation affecting a state governor, this matter could be raised before the Supreme Court of Justice."

MAS Favors Reforms

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[Article by Abraham Rivero Perez]

[Text] While the Movement Toward Socialism (MAS), headed by Senator Freddy Munoz, supported the proposal by Henrique Salas Romer, the governor of the State of Carabobo, concerning amendments to the Law on the Election and Removal of Governors, Jose Miguel Uzcategui, the coordinator of Convergencia [Convergence Movement], did not state his position. However, he said that in the next few days he will review the situation with the national leadership of Convergencia.

At a meeting held with Freddy Munoz, the MAS leader, Henrique Salas Romer, the governor of the State of Carabobo, repeated his concern about the removal from office of Edgar Sayago and Ovidio Gonzalez. He added that amending the Law on the Election and Removal of Governors is an urgent matter, since the "spectacle" of dismissing a state governor, in addition to cheapening the will of the people and deepening the feeling that there is a power vacuum, harms the prestige of the process of decentralization.

Freddy Munoz, the secretary general of the MAS, stated that the removals of governors from office are "a sign of insanity, a sign of political machinations, a sign of illegitimacy" which should be ended. He added that his party would be actively engaged in preventing "the perversion of the democratic spirit" and in amending the Law on the Election and Removal of Governors.

Salas Romer said: "The juridical foundations are solid enough, and our proposals to all political parties have been aimed at reaching agreement on a partial amendment of the Law on the Election and Removal of Governors. Therefore, the necessary constitutional urgency has arisen to place a more certain juridical framework around the exercise of the functions for which we were elected." On the other hand Deputy Jose Miguel Uzcategui stated that, although the amendment of the Law on the Election and Removal of Governments is important, his party will decide what to do "to prevent more elements of uncertainty from being introduced in connection with regional governments." Although he

recognized that he has a favorable opinion of Salas Romer, he stated that he could give no guarantees regarding the approval of his "Memorandum of Accounts," since it should be reviewed and discussed with regional legislators. Salas Romer stated that if a political agreement is reached with all of the political parties, in a short time it will be easy to develop a legally acceptable way of helping the governors to manage their affairs on behalf of the people, without doing damage to the power of the legislative assemblies, given the fact that their functions "are important in watching over and checking on the performance of the governor."

Salas Romer, as well as Jesus Rondon Nucete, governor of the State of Merida, reviewed with the Committee on Regional Development the political crisis caused by the latest removals of state governors, agreeing that "there should be a relationship of cause and effect in the removal of governors from office."

The provision of a referendum for removing governors appeared to be a practical alternative, both for the governors as well as for the legislative assemblies. Despite the fact that Salas Romer has his reservations about the percentage of the vote to be required in such a case, Rondon Nucete, the governor of the State of Merida, indicated that it would be enough to add to the Law on the Election and Removal of Governors a "democratic standard" to regulate the referendum.